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## **THIS MODERN AGE**





# THIS MODERN AGE

AN INTRODUCTION TO THE UNDERSTANDING  
OF OUR OWN TIMES

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LONDON  
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22 BERNERS STREET, W.1

CAPE TOWN: MELBOURNE: SYDNEY: WELLINGTON: TORONTO

*First published August 1938*

*2nd Impression January 1939*

*3rd     "     (revised) August 1939*

*4th     "     November 1943*

*5th     "     February 1945*

PRINTED IN GREAT BRITAIN

**To**  
**MARGARET**



## PREFACE

**W**E live in an era of change, in one of those periods of history in which mankind has entered on a fresh phase of its development. Such eras are not easy to live in. They are characterised by the emergence of new ideas which are difficult to assimilate, by new inventions which disturb and upset old ways of life, by confusion of thought and by uncertainty and fear of the future.

This book may be described as an essay in understanding. It tries to tell in an as objective and unprejudiced a manner as possible the story of what is happening in our time. It attempts to place between the covers of a single book, how inadequately I who have written it realise only too well, the basic knowledge about social, political, economic and international events in relation to their origins which every citizen who desires to play his part in the reshaping of this new world should possess as a necessary background to his thought and action.

It is not written for the scholar or the expert, who can obtain the knowledge he needs from fuller, more authoritative works. It is intended for ordinary men and women who have little time for wide reading but who wish to know more about and understand better the era in man's history into which they have been born. It is intended, too, for the boys and girls in the schools of Great Britain, the citizens of the future.

In his inaugural address on *The New Era in History* at the Annual Meeting of the Historical Association in January, 1938, Professor Ramsay Muir spoke as follows :

"Those who have lived in periods of this kind have seldom been aware of the full significance of the changes

they were witnessing ; and instead of preparing the rising generation for the new conditions in which they would live, they went on indoctrinating them with the ideas of the past, and thus increased the difficulty of the inevitable transition."

As men grow older their ideas and values tend to become set and rigid ; the mind of youth is flexible, its values are as yet unformed. To the schools and homes of to-day falls the duty of preparing the rising generation for a world which demands a new type of citizen, with a new scale of values, with a capacity for a new sort of thinking, trained to survey with objective and unbiased mind the problems which disturb us, determined to find the solutions which we as yet have failed to find. The first need of this new type of citizen is a wider knowledge and a deeper understanding. To give that knowledge and to engender that understanding are the objects of this book.

To cover a field so wide has involved a strenuous process of selection. If I were not to exceed the limits I had prescribed for myself, I was driven to exclude or condense much that I should have liked to include or expand more fully. It is certain that some will find this selection open to criticism. I ask them to remember the difficulty of the task.

Neither is it easy to write about totalitarian states at the present time. It will be many years before the historian will be able to view their evolution in true perspective. Some may think that in my effort to explain sympathetically why and how they have assumed their present form I have not stressed sufficiently those elements in them which are alien to our own thought and sentiment. It seems to me, however, that in the interests of international harmony, understanding is more desirable than criticism, even though the criticism may be just, and that, in any case, charity is a higher virtue than righteous indignation, which is always inclined to degenerate into self-righteousness.

I desire to express my debt to those who have written before me. The daily round of administration leaves little time for original research; without the work of my predecessors this book could never have been started. My particular thanks are due, and are gratefully given, to those who have read my manuscript and provided me with valuable suggestions for its improvement; to Mrs. Hubback of Morley College and Professor Postan of Peterhouse, Cambridge, who read Part I; to Sir Ernest Simon, who read Part II; and to Mr. J. Hampden Jackson of Haileybury College and Mr. J. F. Horrabin, that prince of map-makers, who read Part III.

My thanks are also due to the Poet Laureate for permission to quote his poem "Cargoes", reprinted from *Collected Poems of John Masefield* (Heinemann); to Messrs. Methuen and Mrs. Chesterton for permission to quote a verse of *The Rolling English Road*, by G. K. Chesterton; to Messrs. Allen & Unwin Ltd. for an extract from Lord Ponsonby's *Falsehood in Wartime*; and to *Keesing's Contemporary Archives* for kindly supplying me with material for the chart on page 185.

Finally, my deepest thanks must go to those who converted my rough drafts into the effective maps, charts and illustrations which add much, I believe, to the value and appearance of this book, to my publishers' draughtsman, Mr. Newell, who drew the maps, to Mr. D. O'Neill East who was responsible for the two sets of drawings illustrating Chapter 49, and to my old pupil, Mr. H. Lailey, who prepared the remainder of the charts and illustrations.

F. C. H.

SALISBURY

May 1938.



## AUTHOR'S NOTE TO FOURTH EDITION

**T**HIS is not, I think, the time to make alterations to a text which was completed before September, 1939.

To accomplish anything of value many changes would have to be made ; I do not feel competent to make them in wartime. So the book must, for the present, remain a description of the world as it appeared to one writing before the outbreak of a Second World War. Some of the judgments are clearly wrong, some of the facts one would now state in a different way. The reader must correct them for himself in the light of his own knowledge.

The judgments expressed in one section of the book, the Epilogue, have, however, proved to be supremely right. In them I would not wish to make an alteration. Rather I would recommend the reader to ponder the Epilogue before he reads the remainder of the book.

F. C. H.

SALISBURY.

*September, 1943.*

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**PART I**  
**THE**  
**WORKING ORGANISATION**  
**OF THE MODERN WORLD**





## CHAPTER 1

### THE NEED FOR KNOWLEDGE ABOUT THE WORLD WE LIVE IN

THE story of Britain is the story of the development of a nation which has always valued freedom and in which the institutions of government have throughout the centuries become more and more democratic. In Great Britain at the present day every man and woman over twenty-one years of age has some say in the conduct of affairs. At a general election they may vote freely and the result of the voting decides which political party shall take office and so what policy shall be pursued. They have the right also to criticise those they have chosen to govern them if they do not think they are acting properly, and this criticism may have a profound influence on what is done and what is not done.

In recent times the task of governing and deciding on what is the best policy to follow has become more and more complicated and difficult. Owing to the development of machinery and power, of transport and communications, the whole world has become closely knit together, so that what happens in one part of it quickly affects others. To arrive at right decisions demands far greater knowledge and insight than once it did and a mistake may have much graver consequences.

There are some who think that the world has become far too complex for a democratic form of government any longer to work efficiently, and some countries, such as Italy and Germany, have abandoned it in favour of dictatorships. In the countries ruled by dictators the people have

given up their liberties—or, as some would say, have had them taken away,—in order that government may be more efficient. Those who believe in dictatorship maintain that in this intricate world the majority of men and women cannot possibly know what is the best course for a country to pursue, that only those who can give their whole time and energy to the task are capable of making right decisions. It is thus the duty of the majority to do as they are told and not to criticise those who know better than themselves.

Most English-speaking people, however, still believe that the precious heritage of freedom and democratic government, which men of the past won after much struggle, is worth preserving. It can, however, only be preserved if those who enjoy it prove themselves worthy of it. The world of to-day, with all its difficult problems clamouring for solution, demands, under a democratic form of government, a type of citizen with wide knowledge, a capacity for clear and unprejudiced thinking and a deep sense of social service and responsibility. He must know something of the problems about which he is called upon to decide, he must be able to think clearly about them and not be led away by the biased statements sometimes made by newspapers and party politicians, he must reach his decisions not on considerations of what will be most advantageous to himself but on what will be best for the whole community.

No such high qualities as these are asked of citizens under a dictatorship. From them a deep sense of social service and responsibility is indeed demanded and the response of the peoples of Italy and Germany to the call of duty to their country is enthusiastic and in many ways admirable. They need, however, know little about political, social and economic problems and, as criticism is not encouraged, they need not trouble to think too much. They have a more comfortable time if they are content to accept and obey without question.

This book may be described as a handbook for citizens in a democratic state. It is an introduction to some of

the more important problems with which all citizens are concerned. Not that it will attempt to give solutions of these problems. It will attempt rather to give in brief outline that background of knowledge which is necessary before one can start to think out solutions. It will first tell something of the economic institutions of our age, of how men are clothed and fed and how the goods of one part of the world are exchanged for those of another. It will then describe how men are governed and how the government we have to-day has grown up. Next it will tell something of the events which have happened in the world in recent times and try to show why they have happened in the particular way they have. Finally, some of the more important things which influence men's lives, such as newspapers, the cinema and the radio, will be discussed and an attempt made to show how each may be used in the most advantageous way.

The attempt to gather together within the covers of a small book all the knowledge we need to understand the world in which we live is a tremendous, almost an impossible, task. Indeed it is impossible to give more than an outline sketch. That sketch, if it is to have its full value, must be filled in by consulting bigger and fuller books.

Knowledge alone is not enough. A man may know much, yet, unless his mind is trained to think in a clear and unprejudiced manner, all that knowledge may be so much useless lumber. If we are to be equipped to carry out our duties as citizens efficiently, we must learn to think clearly, to examine and appreciate different points of view, to avoid bias and to eliminate hatred and fear. Sound knowledge is, however, the first essential; until we have that we cannot start to think at all.

## CHAPTER 2

### HOW MEN HAVE LEARNT TO CO-OPERATE TO SUPPLY THEIR NEEDS

**W**E are inclined to take the world we live in very much for granted and we often fail to realise what an intricate and wonderful place it is. Without much thought we get up in the morning, put on our clothes and come down to breakfast. We casually consume our porridge, our bacon and eggs, our bread and marmalade, our tea or coffee. Bicycle or 'bus or train convey us to work or school. In the evening we perhaps listen to the wireless or go to a cinema. A box of chocolates contains for us merely something pleasant to eat. The sound of a telephone bell or the glow of an electric light bulb give us no special thrill nor, unless we have done something wrong, are we particularly excited at the sight of a policeman.

Yet to produce the materials for the clothes we wear, to transport them and to manufacture them has involved the labours of thousands of workers. On our breakfast table are articles of food from all over the world. The wheat for our bread was grown in Canada, the oranges and sugar for our marmalade in Spain and the West Indies, our tea came from India or China, our coffee from the East Indies. Before our box of chocolates could be assembled, cocoa beans had to be brought from the Gold Coast, sugar from Jamaica, almonds from the Mediterranean, Brazil nuts from South America, raisins from California, ginger from China, pineapples from Sumatra, glacé cherries from France. Canada, Scandinavia, Russia, Holland, Germany, Japan and Malay all co-operated to produce the box, the straw-board,

the paper and the tin-foil needed before the chocolates could be packed. Steamer and surf boat, lorry, canal barge and railway train played a part in transporting these materials to the factory in which the chocolates were manufactured and prepared for our enjoyment.

What labour, what invention, what co-operation of many minds and hands have been needed to bring motor 'bus and train, wireless set and cinema, electric light and telephone to their present state of perfection! Consider, too, that very common object, the policeman. He stands at a crossing directing traffic. A motor car could easily charge him down; yet when he holds up his hand it stops. He tells a crowd to move on and, though it need not obey, it usually does. He stands for the law and order and peaceful government which men have slowly come to realise are things worth having.

The world to-day is the result of a measure of organisation and co-operation which it has taken mankind thousands of years to reach. For long after man had entered on his history, his life, though more simple, was much more difficult and uncomfortable than it is now. The whole world did not pour out its treasures to clothe and feed and house him. The only food he got was that which he hunted or grew in his own neighbourhood; his only clothes the skins of the animals he killed or the cloth woven in his own home; his only shelter a cave or a primitive hut which he built with his own hands. For protection he had to rely on his own strength and, if he were weak, he had to give way to the one stronger than himself. To sustain life at all, to obtain the barest necessities of existence, occupied the whole of his time and energy. Only as he learnt to organise and co-operate did this state of affairs change.

Let us ask ourselves what are the chief needs which have urged men slowly, step by step, to organise themselves and to work together more and more in co-operation. We may arrange them in three groups:

(1) **FOOD—CLOTHING—SHELTER NEEDS.** Unless these

needs are provided for, mankind would cease to exist. We call them *economic* needs and the study which tries to explain how they are met is called *Economics*.

(2) **LAW AND ORDER NEEDS.** Men early felt the need of some set of rules or laws which should guide their dealings one with another and of some sort of authority or government which would enforce these rules. Such needs are called *political* needs.

Without some organisation by which we may be properly clothed and fed and housed, without law and order so that life and property are protected, our lives would be, as a seventeenth century writer put it, solitary, poor, nasty, brutish and short. Nor without them could we have those comforts which we now regard as normal necessities of life.

(3) **"GOOD LIFE" NEEDS.** By "Good Life" needs are meant those things which make life more worth living, such as books, art and music, leisure for games and recreation, all the thousand and one things which add to our pleasure and comfort. Indeed one of the chief incentives which has urged man to make his economic and political organisation more and more perfect has been the desire to supply Good Life needs more fully.

Nowadays only a comparatively small proportion of men and women are engaged in supplying economic and political needs; large numbers do nothing but help to supply our Good Life needs. Consider how many people are required to send a broadcast programme across the ether or to produce a daily newspaper or to make and show a picture at a cinema or to perform a play. Think of all the doctors and nurses, whose sole task is to keep people fit and to heal them when they are ill, of the army of teachers, writers, artists and musicians, of the scientists who devote their lives to the search for fresh knowledge. We are rightly content that these should devote the whole of their time and energy to their particular work and leave to others the task of growing their food and making their clothes and building their houses.

## CHAPTER 8

### THE BEGINNINGS OF ECONOMIC LIFE

LATER in this book we shall describe more fully the intricate economic organisation of our modern world. First, however, let us go back to those far distant times when man started on that long journey of discovery which has given us what we possess to-day.

The earliest type of man differed little from the animals. He had no house, no clothes, no tools, no organisation. In one respect he was, however, superior to the animals, he had a better brain and that better brain enabled him to advance, very slowly at first, but with increasing speed, in a way which to other animals was impossible.

Slowly he learnt to express himself in words, to use primitive tools, to build a hut of branches, reeds and mud or of stones roughly put together, to keep himself warm by clothing himself in the skins of animals, to make simple utensils, such as pots shaped by hand and dried in the sun. It dawned upon him that he could hunt better in a pack than alone and in the hunting pack, the earliest form of co-operation we know, we find the beginnings of the elaborate political organisations of our own day. At some time, we know not when, he discovered how to make and use fire. It enabled him to get greater warmth, to cook his food, to harden the point of his wooden spear and to bake the pottery he made. Through long ages, of which few records remain, he made first one discovery, then another. He learnt how to make a wheel, first solid, then with spokes, to build a canoe by hollowing out a tree trunk with fire or a flint implement or by stretching the skins of animals



over a wooden framework, to make stone tools and weapons. to weave cloth on a simple loom.

We are able to trace three main stages in the long early period of man's advance. At first his main occupation was hunting. He was a wanderer, since, when he had exhausted the supply of food in one area, he was forced to move on to another.

Sometime, we do not know how, he learnt to tame animals, and so entered on the second stage, that of shepherd. Though he still hunted, though he had still no settled home, since he had continually to seek new pastures for his flocks and herds, his mode of life slowly changed. We find men organised in tribes, usually bound together by family ties and under the rule of the head of the family.

With our scientific training, which enables us quickly to see the connection between one action and another and so to discover why things happen, it is difficult for us to realise how slow these early ancestors of ours were in making the simplest connections of thought. Every child knows the connection between a seed and a plant. Yet it took men a very long time to realise that if they put seeds in the ground plants would come up. At some time early man did make that discovery. It had far-reaching results. He was able to enter on the next stage of his progress, he became a farmer.

It is impossible to overestimate the importance of the discovery of the science of agriculture. No longer did man continue a wanderer; he settled down to cultivate the land. The land he had ploughed and sown became something worth defending, the idea of landed property came into existence. Instead of living in a tent he now built a permanent home; the camp became a village and out of the village developed the town. In these first village communities we see the beginnings of the great nations and empires of later history.

It would take a whole book to tell the story of man's discoveries up to the beginning of our own age. One would

have to tell of the invention of writing, by means of which it became possible to pass on the knowledge of one age to another : of the discovery of the use of metals, first bronze and later iron, which enabled more efficient tools to be made ; of increasing knowledge of the forces of nature, of the pathways of the stars, of the flow of tides and of the march of the seasons. One would have to tell of the building of the pyramids of Egypt and of the cities of the Tigris and Euphrates, of Phoenician navigators sailing out into the misty Atlantic, of the construction of the great roads of Persia and Rome, of Chinese bronzes and Greek marbles. One would have to tell, too, of the transition of the agricultural village to the trading town and of the beginnings of coinage and the evolution of the idea of money, without which the development of trade would have been impossible. It is a fascinating story but there is no space to tell it in detail here.

We must content ourselves first of all with giving an account of the stage of simple economic life reached in Britain about the middle of the fourteenth century and then leap straight away to the more intricate organization of our own day.

## CHAPTER 4

### MEDIAEVAL ENGLAND ; AN EXAMPLE OF SIMPLE ECONOMIC ORGANISATION

**I**F we could be transported through time to the England of the fourteenth century we should find ourselves in a world in many respects very different from our own. Not only would we find dress, language and customs different, we should also find a type of economic life very much simpler than ours. We should find far fewer towns and those that existed much smaller than those we know to-day. Indeed they would appear to us little more than large villages. By far the greater part of the population then lived in the country and were engaged in agricultural pursuits. Even the towns had their great fields round them and some of the townsmen were also farmers.

The type of mediaeval village best known to modern historians was worked on what is called the three-field system. Instead of the scattered farms, each with its fields around it, of present day England, the houses were concentrated in the village. Around the village stretched three large unhedged fields, divided by balks, i.e. pieces of unploughed land, into strips, which were distributed among the lord of the manor and the peasants, who were not allowed to leave the land. The holdings of each peasant were not all concentrated in one group. Each had strips scattered piecemeal throughout the three fields. Each year one field would be given over to wheat, another to barley and the third would be allowed to lie fallow. The next year the crops would be changed round, wheat being grown

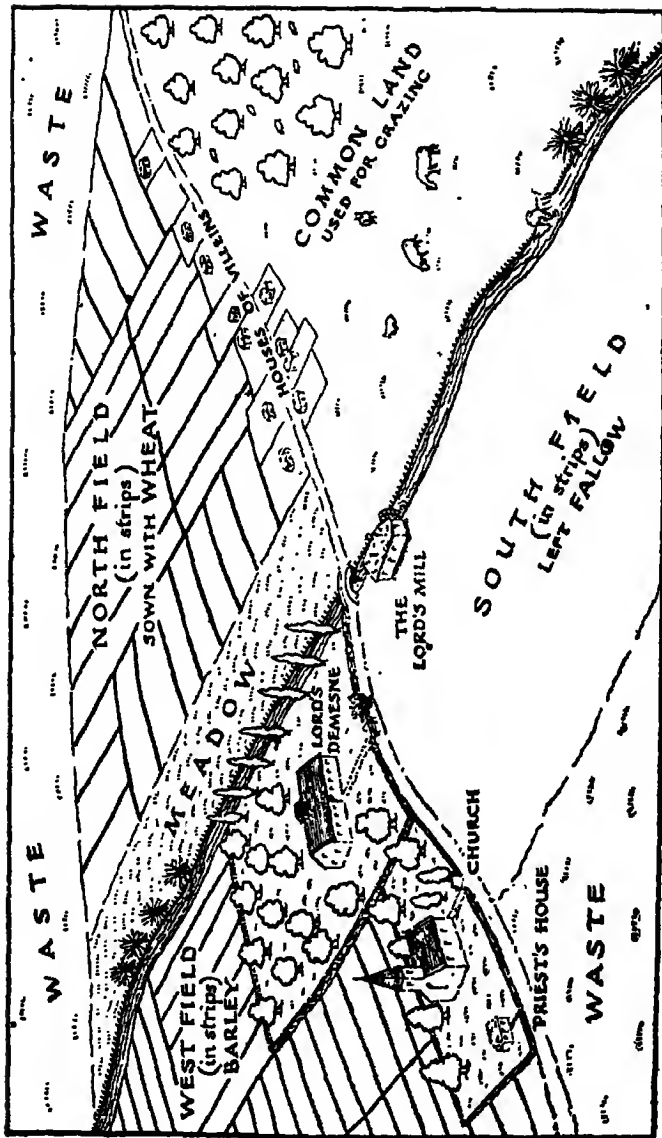


FIG. 1—A MEDIAEVAL MANOR

in the field which had lain fallow in the previous year, barley in the wheat field, while the barley field would be given a year's rest to recuperate. The practice of alternating grain and root crops was not followed; our mediaeval ancestors had not yet heard of turnips and mangel-wurzels.

Surrounding each village was the waste, uncultivated land consisting of woodland, in which fuel was cut and pigs were kept, and common pasturage used by all the villagers for their cows and sheep. Cattle were also grazed on the fallow field and on the stubble of the other fields between harvest and seed time. Some villages adjoining rivers or streams had meadows, but hay for winter feeding was scarce and most of the cattle were killed each year and salted down for winter food.

The modern practice of paying a man for his work by a money wage or of paying a rent for land, though it became increasingly common in succeeding years, was not customary in the fourteenth century. Instead, in return for his land, the peasant was compelled to cultivate his lord's strips for a certain number of days a week, with extra time during harvest, and at stated seasons to give to his lord such payments in kind as a basket of eggs.

Since there was little money in circulation there was little trading. Each village was virtually self-sufficing, growing and making all it needed. Bread was made from the produce of the wheat field, beer, the usual drink, from the barley. Each village raised its own stock and its cloth was woven by each family from the wool of its own sheep. Except for iron for implements and salt for preserving meat for the winter, each village produced practically everything necessary for its simple needs. There can have been few, if any, luxuries. Indeed, it is said that as late as the eighteenth century the majority of Englishmen ate meat only twice a week. Since, however, there was more than enough work for every one in order to sustain even the low standard of life which existed, there was no unemployment.

For some centuries towns had been growing up and increasing in size and importance. The townsman's chief occupation was trade and manufacture, but one must not imagine that in a mediaeval town one would find great factories, producing goods to sell in distant lands, or retail stores, overflowing with commodities from all over the world. The two chief characteristics of mediaeval trade and manufacture were, first, that everything was made by hand and secondly, that the goods made were sold directly to the consumer. The maker and the seller were the same person; the middle man, that is the retail trader who buys from the manufacturer and then sells at a profit to the consumer, had hardly yet come into existence.

The trade of each town was controlled by Gilds. No one who was not a member of a Gild was allowed to trade, and the Gilds took care that all who were admitted to them had proved themselves to be competent workmen. The Gilds imposed very strict rules on their members; not only did they insist that every article sold should be of good quality, they insisted, too, that it should be sold at a fair price.

Trade was to a great extent local in character. In some parts of England great fairs were held to which came merchants from all over Europe, but a merchant in London regarded a merchant from Winchester as just as much a foreigner as one who came from Hamburg or Genoa, and would not allow him to trade unless he paid the appropriate fees.

In the fourteenth century, however, the attempts by merchants to keep trade local were slowly breaking down and, under the encouragement of the kings of that period, foreign trade, particularly in wool, was beginning to develop.

Since trade was conducted on a small scale, the amount of money needed to start a business was comparatively small and to become a master a fairly easy matter. All that was needed was a pair of hands, a few tools and a small

quantity of raw material with which to work. There was thus no need of the large amount of money and the elaborate banking and borrowing organisation on which modern industrial enterprise is based. The amount of money in use was small and the practice of lending out money for interest was forbidden by the Church, which taught that, since it was only necessary to lend money when a man was in difficulties, it was the duty of a Christian to lend it without hope of reward.

No attempt can be made in a book of this size to describe in detail the steps by which this simple economic system developed into the elaborate organisation of our own day. Let us leap straight away to our own times and see how great are the changes which have taken place.

## CHAPTER 5

### THE MAIN CHARACTERISTICS OF MODERN ECONOMIC ORGANISATION

**P**ERHAPS the chief characteristic of the economic organisation of to-day as compared with the simpler organisation of previous ages is that it is world-wide. No longer do we grow all the things we need close to our homes, no longer do we make the things we use in our own houses. For our ordinary, simple, everyday needs we draw on the products of far distant lands. We have already seen how complicated a matter it is to supply us with the commonplace things which we find on our breakfast table and how many countries must co-operate to provide us with a box of chocolates.

Nor are we content with mere necessities. We demand a large number of luxuries, things not absolutely necessary for the sustaining of life but which give us greater comfort and pleasure, such as books, newspapers, beautiful clothes, wireless sets, cinemas, all things which are not absolutely essential and which the people of earlier days did not have and did not miss. Quite ordinary people can go into a Lyons' restaurant and have a meal amid surroundings which would have amazed a wealthy king of ancient Babylon. For the price of a cinema ticket we can spend a couple of hours in a building which would have astounded a man of Shakespeare's day and have the whole world brought before our eyes on the screen. Luxuries far greater than even the rich could once afford are available now for the poorest.

These abounding luxuries have been made possible by



the growth of specialisation. By ever swifter stages we have devised means whereby only a small proportion of the workers of the world need be employed in providing necessities; the remainder are free to provide all those other things, both services and goods, which make life more comfortable.

Not only do different men specialise in different occupations, different parts of the world specialise in the production of different commodities. Once every country grew all the

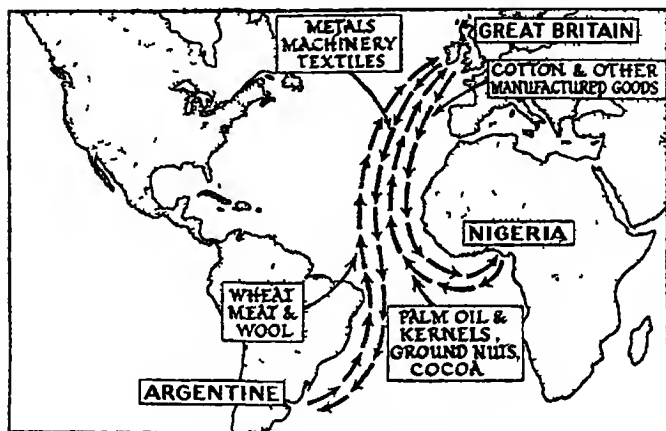


FIG 2—EXCHANGE OF GOODS

Great Britain is an industrial country, the Argentine and Nigeria are primarily agricultural, the one is in the temperate, the other in the tropical, zone

food it needed. Now a country such as our own grows only a small proportion of the food it consumes. More than three-quarters of the wheat, three-fifths of the meat, nine-tenths of the butter and most of the sugar consumed in this country come from abroad. Instead we specialise in the production of various kinds of raw materials and manufactured goods, which we export to other countries and in return receive their products for our use.

All these commodities could not be brought to the retail shops from which we buy them were it not that vast improvements have taken place in transport. Modern transport—ocean-going steamers, railway trains and motor lorries—brings the products of many lands quickly and safely to our shores and distributes them throughout the country. Masfield's poem, *Cargoes*, gives a very clear picture not only of the development of transport but also of the changes in the kind of goods carried.

“Quinquere of Nineveh from distant Ophir  
Rowing home to haven in sunny Palestine,  
With a cargo of ivory,  
And apes and peacocks,  
Sandalwood, cedarwood, and sweet white wine.

Stately Spanish galleon coming from the Isthmus  
Dipping through the Tropics by the palm-green shores,  
With a cargo of diamonds,  
Emeralds, amethysts,  
Topazes and cinnamon and gold moidores.

Dirty British coaster with a salt-caked smoke stack  
Butting through the Channel in the mad March days,  
With a cargo of Tyne coal,  
Road-rail, pig-lead,  
Firewood, iron-ware and cheap tin trays.”

✓ This world-wide specialised production, manufacture and transport for the supply of economic needs has become possible through the development of new sources of power. ✓ In the fourteenth century all work was done by hand with the aid of simple tools. The only sources of power were wind and water, the windmill and the waterwheel. First coal, then electricity, then petrol have given us new sources of power with which to drive the more and more intricate and efficient machines which now do the work once done by hand.

By means of these machines goods can be produced with less labour, more cheaply, more quickly and in far greater quantities than was before possible. We live in the

age of mass production. No longer are the majority of goods made at the order of the consumer by a master-craftsman working in his own shop. They are made in vast quantities to standardised patterns in factories employing many workers, and by elaborate selling organisations are distributed to the shops which sell to the people who want them. The more goods a manufacturer can sell the cheaper he can produce them at a profit. So by means of advertisement he tries to persuade people that they ought to buy them and that his goods are better than those of anyone else.

We have seen that the small volume of trade in the fourteenth century needed little money. The huge industrial concerns of our day, with their great factories and expensive machinery, the wide-flung system of transport needed to bring raw materials to the centres of manufacture and to convey the finished articles to the places where they are to be sold, necessitate an elaborate financial system. As industry and commerce have expanded there have come into existence banks and limited liability companies, stock and international exchanges, an intricate network of organisations designed to provide the necessary money and credit.<sup>1</sup>

What a different world from that which our ancestors knew! How strange a peasant from a mediaeval manor or a man of Shakespeare's day or even a gentleman of the eighteenth century would find it!

<sup>1</sup>For the expansion of the necessarily brief outline of the origins and character of modern economic organisation contained in this and the following chapters, Wells' *Work, Wealth and Happiness of Mankind* and Hogben's *Science for the Citizen* will be found invaluable. Both show vividly the intimate connection between economic development and scientific progress.

## CHAPTER 6

### THE RAW MATERIALS OF MODERN COMMERCE

**M**ODERN economic organisation depends on available supplies of a number of raw materials. Since the standard of life was low, the raw materials needed to meet the economic needs of fourteenth century England were few in number, and the greater part of them could be supplied in the locality in which the consumer lived. His own fields provided him with his wheat and barley, his own cattle with meat, milk and leather, his sheep with meat and wool, the local quarries and woods with materials for his house and furniture and with the fuel he burnt. Thus food, clothing and shelter could, to a very great extent, be provided from the products of his own locality. The rich might draw on sources further afield but the silks and spices of the East were within the reach of only a few.

The primary raw materials necessary to support the economic life of to-day are much more varied. We cannot get on without coal, cotton and oil, rubber, copper and iron. We need a variety of food-stuffs of which the fourteenth century never dreamt.

In order therefore to understand the economic organisation of our own times we must learn something of the distribution of these raw materials and the part they play in our economic life.

The map on page 23 gives a picture of the distribution of the more important of them. From it will be seen that Western and Central Europe is rich in iron and coal fields. The presence of iron and coal in large quantities in Europe

has, indeed, been one of the most important factors in her industrial development, for iron and coal are two of the prime essentials of modern industry. Valuable coal and iron deposits are found in European Russia and coal fields are also being worked in Siberia. Northern China also has coal deposits and the U.S.A. is rich in both minerals.

Oil, both crude oil and petrol, is a fuel which in recent times has become increasingly important. Ships which were once driven by coal now rely on crude oil for the generation of their power, while the internal combustion engine, by which motor vehicles and aeroplanes are propelled, uses petrol. Consider what would happen if the world's supplies of petrol ran out. Every motor car would stop, the aeroplane would be no more. The chief oil wells of the world are found in the United States, Southern Russia, Mesopotamia and Persia, Mexico, Burma and the East Indies.<sup>1</sup>

Motor transport also demands large supplies of rubber for tyres. This substance is also used for insulating purposes and is therefore of great importance in the transmission of electrical power and in telegraphic communication. Rubber can only be grown in a hot moist climate and a glance at the map will show that all the world's resources are to be found in the neighbourhood of the Equator, particularly in the East Indies.<sup>1</sup>

As much as on rubber the transmission of electric power depends on sufficient supplies of copper being available. Half the world's supplies of copper come from the U.S.A., Chile is the second greatest producer, while it is also found in Spain, Germany, Mexico, Peru, Central Africa, China and Japan.

The growing of cotton, as of rubber, demands a special kind of climate. The chief world supplies come from the southern states of the U.S.A., Egypt and India, where this sort of climate is found.

<sup>1</sup> See, however, the last paragraph of this chapter.

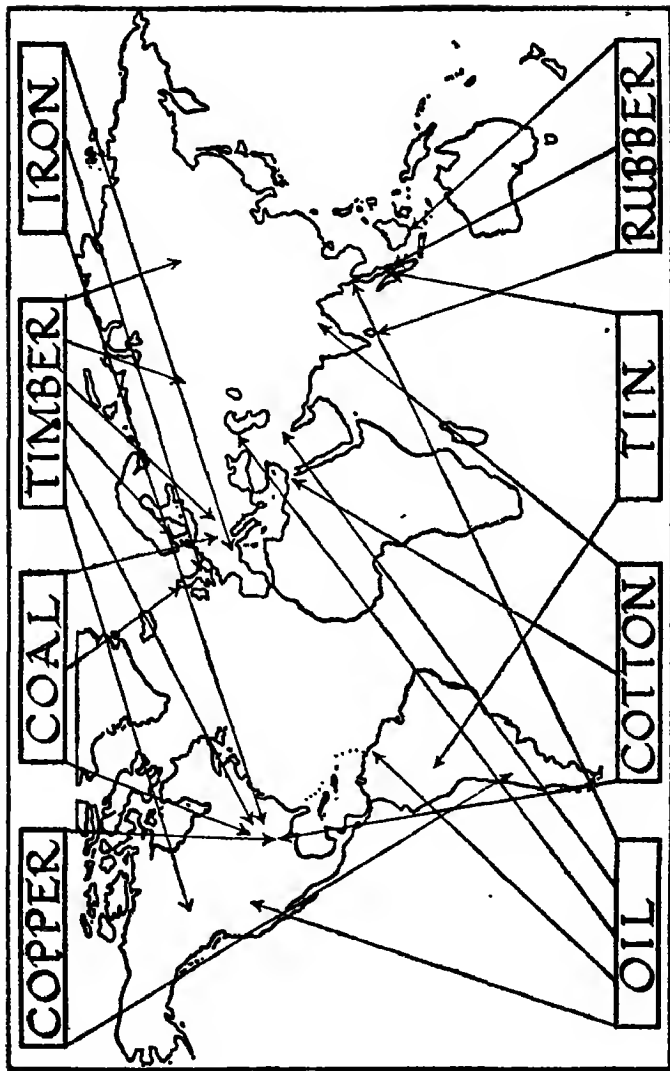


FIG. 3—SOURCES OF RAW MATERIALS

A knowledge of the distribution of other primary raw materials is important. Such are timber, essential not only in its original state but also on account of the numerous uses to which wood pulp is now put ; tin, which has become more and more important as the canning industry has increased ; and the minerals and chemicals used in industry and as fertilisers. The steel industry has, owing to the development of alloys using minerals found in very few places, for many years become increasingly dependent on international trade. For instance, 90% of the world's supplies of nickel come from Canada. Enough has been said to show how world-wide is the distribution of these raw materials.

As we have already seen, few countries rely on the products of their own soil for the supply of food. Even essential food-stuffs such as flour and meat are in many countries not produced at home. While some countries are virtually self-sufficient, others, such as Great Britain, import the greater part of their wheat and meat from those areas which are able to grow surpluses for export. The United States, Canada and Russia export great quantities of wheat ; the vast open spaces of the United States, the Argentine and Australia have made, them into important meat exporting countries. The application of the science of refrigeration now makes it possible for all sorts of perishable food-stuffs to be kept fresh for long periods and transported over great distances.

Not only has the number of essential raw materials increased, the researches of scientists have also enabled them to be put to an infinite variety of uses. When we think of coal we possibly think of it merely as something which is burnt to give heat or power. From coal, however, are extracted materials from which dyes, perfumes, explosives and even medicines are made. Once, when the standard of working it was in a primitive state, the uses of iron were limited. Now, so numerous and expert have the processes for treating iron ore become that steels of many sorts can be produced, from those needed for the making of delicate

# THE TRANSFORMATION OF SUBSTANCES THROUGH MODERN CHEMICAL RESEARCH

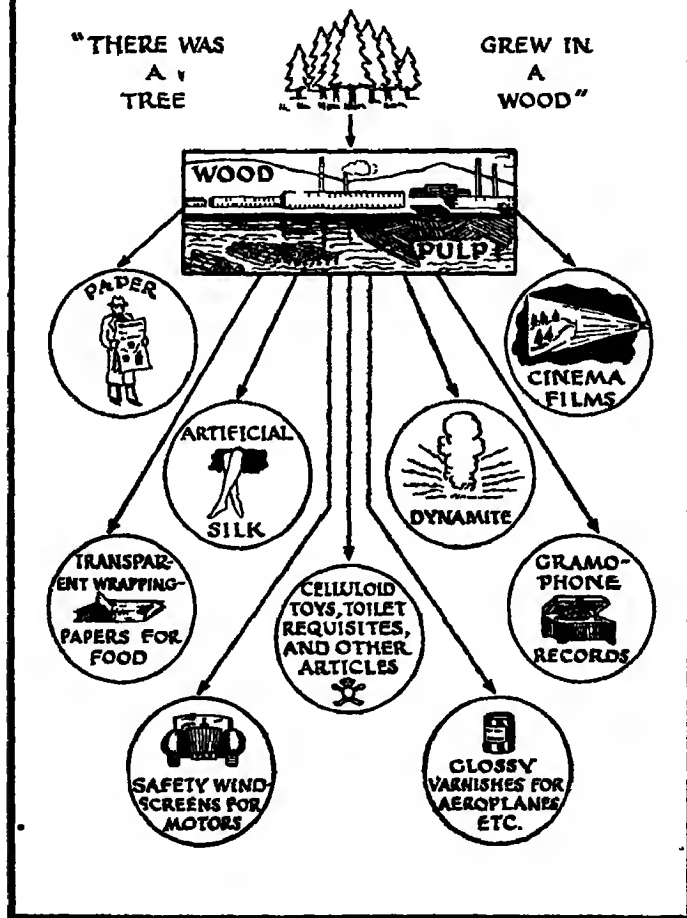


FIG 4



instruments to those used for the building of great cranes and bridges. It seems a far cry from a spruce tree growing in a Canadian forest to an English girl walking down the street in a pair of silk stockings. Yet it is probable that those stockings are artificial and not real silk. Artificial silk is made from wood pulp or from cotton waste and these substances are the basis from which are also made camera films, non-splintering glass, glossy paints and wrapping materials for food. It is quite possible that the fountain pen you use was made from dried milk powder, which, when compressed and soaked in a solution of formaldehyde, becomes so hard that it can be machined and polished and made to look like ivory or tortoiseshell or ebony.

It may be that the ability of the industrial scientist to turn anything into anything else may result once again in our being able to produce many more things we need from materials found nearer home. Means have been discovered whereby nitrates, valuable as fertilisers for crops, the main supply of which used to come from Chile, can now be obtained from the air we breathe. The supplies of petroleum are at present confined to certain parts of the world. Those who want petrol must import it from these places. Recently, however, a great plant has been erected in England to extract petrol from coal. Natural rubber grows only near the Equator. German and Russian scientists have discovered a method of making, from products found in their own countries, a substitute for rubber, called "buna" rubber, as efficient for its purpose as the real article. Some 40% of German requirements are now met in this way.

## CHAPTER 7

### THE DEVELOPMENT OF TRANSPORT

**T**HE conveyance of these raw materials to the factories where they are used for manufacture and the conveyance of manufactured articles to the places where they are needed has been made possible by the introduction during the last two centuries of new kinds of transport and new sources of power.

For thousands of years mankind relied on transport dependent on human or animal energy. Though wind was utilised for the propulsion of ships, until comparatively recent times men preferred the more certain power of oars, pulled by human arms, to drive their vessels through the waves.

In very early times goods were carried on the backs of men or animals. Later a primitive sledge on runners was found capable of moving heavier loads than could be carried on the back. The first epoch-making discovery in the history of transport was that of the wheel. No one knows who first thought of it: its discovery goes back into the mists of unwritten history. Yet on that discovery the whole future history of transport is built. The wheel made possible the construction of a cart, thus increasing the load which could be carried and the speed and ease with which it could be moved. In order to get full value from carts, wagons and chariots good roads were necessary. In some of the more highly developed empires of the Ancient World road-making was brought to a high state of perfection. The Persian kings built networks of roads through their empires and the great roads, constructed by the Romans wherever

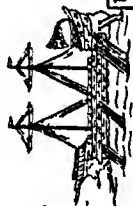
# TRANSPORT

## ON WATER

Dugout canoes and  
skins stretched on frames



Small sailing ships  
used on rivers &  
inland seas



Ships become larger  
in size and oars  
increase in number



At length  
the clipper  
of the  
18<sup>th</sup> century

## ON LAND

Pack animals and  
sledges on runners



THE INVENTION OF THE WHEEL  
first solid, then with  
spokes, made possible  
the first cart,



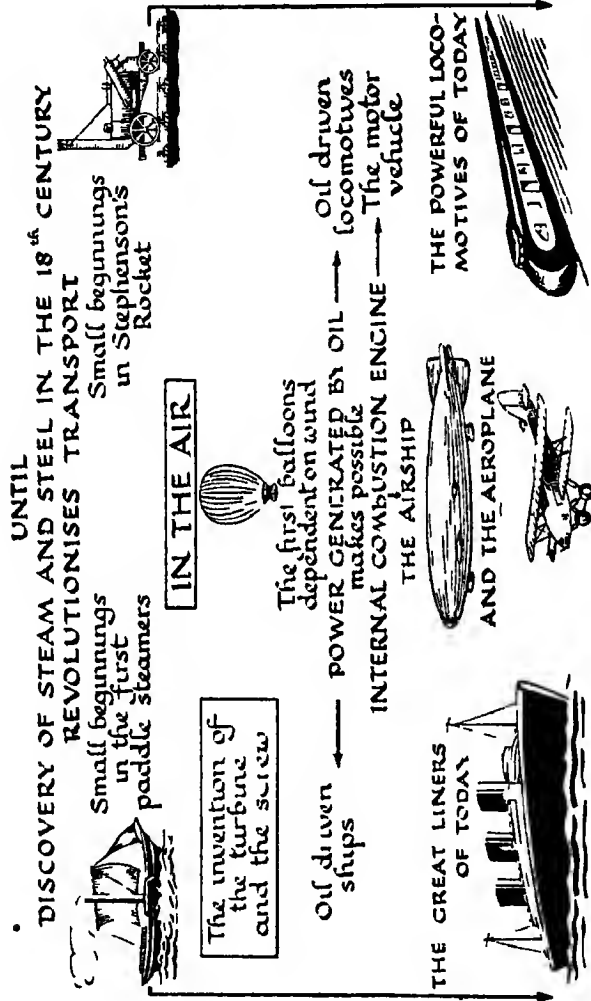
early chariots  
and eventually



the post-  
chaise  
of the  
18<sup>th</sup> century

POWER:  
Wind  
Animals  
and  
Human  
Strength

FOR THOUSANDS OF YEARS POWER AND THE PRINCIPLES OF CONSTRUCTION  
HAD REMAINED VERY MUCH THE SAME



they went, were not surpassed until modern times. Indeed, after the fall of the Roman Empire the Roman roads fell into disrepair and our mediaeval forefathers relied much more on pack animals than on carts or wagons for transporting goods over long distances.

How long ago the first cart was used no one knows. The significant fact is that, though through the ages the pattern of the cart was improved, no new form of land transport was invented until just over a hundred years ago.

The story of sea transport is somewhat similar, though here the advances made were more marked. The history of the ship begins with the tree trunk, hollowed out by flint tool or bronze hatchet or fire, and the coracle, made of skins stretched over bent pieces of wood. It can be followed through the first sailing ships, used on the great rivers on the banks of which the earliest civilisations grew up and later on inland seas such as the Mediterranean. Improvements in ship building gradually made longer and longer voyages possible. Sails grew in size and number, the single bank of oars, which both increased the speed of the vessel and also made it less dependent on the vagaries of the wind, multiplied to two and three and even five. In the fifteenth century the evolution of a new type of ship, the caravel, which could tack to windward, coupled with the discovery of the mariner's compass, made possible the great ocean voyages of discovery and adventure which fill the following centuries. But though many improvements in design and construction were made, the power which drove the vessels remained the same.

In the eighteenth century a new form of power was discovered which quickly revolutionised transport on land and more slowly transport on sea. That new form of power was steam.

Every schoolboy has heard the story of James Watt and the kettle. Actually, however, James Watt did not invent the steam engine. More than fifty years before Watt made

his first working engine Newcomen had produced a "fire engine", which, for half a century, was used for pumping the water out of mines. It was a clumsy wasteful affair. Its piston was from four to six feet in diameter and the most perfect models made twelve strokes a minute. It burnt some thirteen tons of coal a day to produce about twenty horse power. What James Watt did was to produce a much more efficient type of steam engine and, by discovering the principle of circular and parallel motion, to make it possible for it not only to pump the water out of mines but also to drive machinery.

James Watt made his first stationary steam engine in 1775. It was not long before the new power came to be applied to transport. The first experiments in steam transport took the form of wagons, driven by steam, designed to run along roads. Rails, first of wood and later of metal, had already been used to convey wagons. At the beginning of the nineteenth century George Stephenson conceived the brilliant idea of a steam locomotive running on rails. In 1826 he was allowed to run an engine along the new horse tramway between Stockton and Darlington. So successful was the experiment that, in 1830, a railway between Manchester and Liverpool was opened. From that date railway construction proceeded apace. By 1840 some 780 miles of track had been constructed in the United Kingdom, by 1850 another 6,000 miles had been laid down.

The railway movement spread throughout Europe. Belgium was early in the field; in 1830 the first locomotive appeared in France; good progress was made in Germany, with what important effects on the destinies of that country will be seen later. In Spain and Italy, ruled by reactionary governments and industrially backward, development was slow.

The application of steam power to sea transport lagged somewhat behind its application to transport on land. As early as 1807, however, a crude steamboat, invented by Robert Fulton, was in use on the Hudson River in North

America, by 1812 Henry Bell had launched his "Comet" on the Clyde, by 1820 steam tugs were being used in harbours and in the following years small wooden paddle steamers carried mails across the English Channel. By 1850 almost all the big British Shipping Lines had been established, the Atlantic was being regularly crossed in ten or twelve days and steam had to a great extent supplanted sail for the carrying of mails and passengers.

For the carrying of non-perishable goods, particularly over long distances, sail for a long time continued to hold its own and the design of sailing ships continued to be improved. The speedy nineteenth century tea clippers, with their beautiful lines, wealth of sail and flexibility of manœuvre, were indeed lovely things. Steam power, however, eventually won its way into favour for the propulsion of ships and by the end of the century sailing ships were rare.

It is unnecessary to trace the increasingly effective developments in locomotive design, which have brought us from Stephenson's "Rocket" to the powerful streamlined railway engines of our day. Nor need we tell in detail of the invention of the steam turbine and the screw propeller or of how the small inefficient paddle steamer grew into the huge steel-built liners, with their luxurious accommodation and great speed, we now know. These things may be studied more fully by those who are interested.

~ It will be sufficient to notice how important these developments in land and sea transport have been. By means of the railway train the great land masses of the world have been opened up and brought into cultivation. Raw materials and food-stuffs can be grown in the interior of the great continents, such as the Americas and Africa, and transported to the coasts, where they are placed on steam-driven vessels and taken speedily and cheaply to all parts of the world.

Other inventions have also played their part, such as the grain elevator, by means of which grain can be moved

from one form of transport to another with expedition and ease, and the refrigerator, by means of which perishable goods, such as meat and fruit, can be carried over vast distances and arrive at their destinations as fresh as when they started.

It will be clear that without this efficient system of transport the world's trade could not be carried on. ~



## CHAPTER 8

### NEW MATERIALS AND NEW SOURCES OF POWER

**T**HESE discoveries of improved forms of transport and power went on side by side with and were dependent on discoveries of improved methods of handling iron and steel, two of the key commodities of our modern industrial age.

Iron had been used from very early times. For many centuries the smith had, in his small forge, extracted the metal from the ore by introducing a blast by means of a primitive bellows. In the process the iron absorbed carbon from the wood. According to the amount of carbon absorbed different sorts of iron were produced. By beating the red-hot iron and suddenly cooling it by plunging it into water, the metal could be turned into hard steel.

Though iron and steel had been used for many centuries the processes by which they were made were for long crude and uncertain; the quantity produced, moreover, was small. While improvements in the smelting of iron were made from the fourteenth century onwards, it was left to the eighteenth and nineteenth centuries to work out those processes which have made possible the production of iron and steel suitable for any and every purpose.

One of the chief problems which had to be solved was that of smelting iron with some fuel other than wood. The modern method of smelting iron with coal or coke was introduced by Abraham Darby of Coalbrookdale about 1735, and from that time onwards many advances took place. The blast furnace was perfected and, in 1784, Cort invented the puddling process, by means of which liquid cast-iron

could be converted into malleable iron. Puddled iron was the chief material used for industrial purposes until the inventions of Bessemer and Siemens, about the middle of the nineteenth century, made large supplies of cheap steel, capable of being used for large castings, possible. By the end of the nineteenth century the improvements in the making of steel had progressed so far that it was possible to make castings of as much as a hundred tons in weight.

The kinds of steel it was possible to produce also increased. They are now of infinite variety, capable of being used for many different purposes. For instance, nickel steels are used for bridge building and structural work, chrome or cobalt steel for magnets in magnetos, tungsten steel for the filaments of electric lamps and wireless valves. One has but to think of the large number of uses to which steel is put, from bridges, buildings, engines, machinery, cranes and ships to the most delicate instruments, to realise how important a material it is.

It was not enough to invent a material reliable for many purposes; it was also necessary to learn to use it with precision. The old inventors complained bitterly that they could not get anything made accurately, that cylinders were not bored exactly, that pistons did not fit. The modern workman can, owing to improvements in gauges, work to 1/10,000 of an inch.

Transmission of power is based on reliable gearing. The use of some form of gear is very ancient. The most primitive gears were made of wood; later cast iron, brass and bronze were utilised. The invention of hard steel, capable of being cast or cut with absolute precision, has made possible the delicate gearing which modern machinery demands.

The development of coal mining and iron smelting in the eighteenth century resulted in the introduction of steam power, a very important step, as we have already seen, in the economic development of mankind. Valuable as coal is, it has, however, several defects. It is bulky and

heavy and consequently costly to move to the places where it is needed. By no means all the heat it generates is transmitted into power; much of it is wasted. During the nineteenth century two new sources of power were discovered, both of which play an important part, and are perhaps destined to play an even more important part, in our economic and social life. These two sources of power are electricity and oil.

Little was known about the nature of electricity until about 1600, when Gilbert laid the foundations of modern electrical and magnetic science. During the seventeenth and eighteenth centuries knowledge was slowly accumulated. In 1745 the Leyden jar was simultaneously invented by a Frenchman and a Dutchman, while in 1752 Benjamin Franklin, an American, and one of the great pioneers of electrical science, established the identification of lightning and the electric spark. It was, however, with the production, in 1799, of the electric current by an Italian, Alessandro Volta, that the great modern era of electrical discovery opened. During the next thirty years great strides were made, in which scientists of many nations played a part, Oersted of Denmark, Ampère of France and Michael Faraday of England, to mention only a few.

The first practical use to which electricity was put was in the domain of communications where the experiments of Morse, an American, led to the invention of the telegraph. Later, however, this new source of power was applied to other uses, such as to the driving of machinery and the propulsion of land and sea transport.

The two chief advantages of electrical power are its cleanliness and its lightness. While coal must be carried over long distances in railway truck or canal barge or lorry to the places where power is needed, electricity can be generated either at the pit head or where water power is available and sent to its destination over wires. Though the building of great generating stations and the construction of electric grids to carry the current are expensive,

# POWER



**HAND POWER**

first  
with **STONE** tools

**DISCOVERY OF METAL**

**WIND POWER**

brings in

**WATER POWER**

① Bronze tools ② Iron tools



Thousands of years pass

until

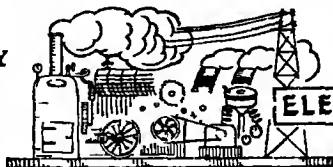
IN THE MIDDLE OF  
18<sup>th</sup> CENTURY



**DISCOVERY OF STEAM POWER**

and  
19<sup>th</sup> CENTURY

**OIL**



and  
19<sup>th</sup> CENTURY

**ELECTRICITY**

MOTIVE POWER OF THE GREAT  
MACHINES OF OUR AGE-

FIG 6

once the initial cost has been met electricity is the cheapest and most efficient form of power. In mountainous countries which have little or no coal, such as Switzerland and Italy, hydro-electrical power is very extensively employed, while the Soviet Government has constructed a great hydro-electrical generating station by damming the River Dnieper at Donetz. It is likely that electricity will be more and more used in the future.

The utilisation of oil as a fuel for the production of power has led to the invention of the internal combustion engine. Two sorts of oil are in common use, heavy oil and light oil or petrol. Heavy oil is used in the Diesel engine, invented by Diesel in 1892. This type of oil-driven engine is now used for many purposes for which the steam engine was once employed, for the driving of dynamos for the generation of electricity, for driving machines in factories and for the propulsion of ships. In recent years oil-driven locomotives have increasingly tended to displace steam-driven ones for the drawing of railway trains.

On light oil or petrol depend the motor car and the aeroplane. The first successful internal combustion engine, using petrol, was made by Gottlieb Daimler in 1885. In the years following Levasseur, a Frenchman, worked out the application of this type of engine to the propulsion of a carriage by means of clutch, gear-box and transmission. It was not, however, for some time that the motor car came into general use. The early models were unreliable and liable to break down. Once, however, the internal combustion engine had been perfected their use spread very rapidly. Taxicabs had become common on the streets of London by 1906.

The petrol-driven internal combustion engine has many advantages. For its size it is very powerful, the fuel it uses is light and a large quantity can be carried. It can thus be used for the propulsion of an aeroplane, for which a light and powerful engine is necessary.

The aeroplane is the most recently introduced form of

transport. From ancient times men have dreamed of flying in the air. All attempts, however, to build a "flying machine", which would really fly, failed. Successful experiments with lighter-than-air machines preceded those with machines heavier than air. In the 18th century the brothers Montgolfier invented the balloon. It was inflated by means of a vapour from burning straw and flew without a passenger the tremendous distance of one and a half miles! The first ascent by a human being was made by Rozin in 1783. The use of hydrogen gas for filling the envelope of the balloon made more certain ascents feasible, but without some sort of engine the balloon was at the mercy of the wind. The attempts to use a propelling engine were at first crude; at the siege of Paris in 1870 a balloon was driven by a screw worked by eight men. In 1884 an electric motor was first tried.

In spite of the attempts of Count Zeppelin from 1897 onward to build a successful airship, the future lay with the heavier-than-air machine. Little success attended the efforts of the inventors until the first years of the twentieth century. Many still alive can remember the thrill which in 1908 greeted the news that Farman had flown from Châlons to Rheims, a distance of 30 miles, that Wilbur Wright had flown a distance of 78 miles, still more the excitement when, in 1909, Blériot flew across the English Channel.

The World War of 1914 to 1918 gave a great impetus to the development of the aeroplane and since the War development has proceeded at an even greater rate. Speed and size have been vastly increased, ease of manœuvre has been improved. The Atlantic was crossed for the first time in 1919. Now a network of regular air services stretches all over the world. Even if we have not yet actually reached it, we are at the beginning of the Air Age.













## CHAPTER 9

### SPECIALISATION AND MASS PRODUCTION

THE tendency to some sort of specialisation dates back to the very early stages of man's history. Even among primitive people work was distributed among members of a family. While the men hunted and fought, the women cooked the food, made the clothes and perhaps even cultivated the fields. As community life developed specialisation in some particular occupation became more and more common. Men took up various trades, at which they became more expert than their neighbours who came to them when they wanted some article made which they could not make so well themselves. The paintings in the Egyptian tombs show that many trades were then in existence. They depict the potter working at his wheel, the glass-blower at his furnace, jewellers, craftsmen in various metals and many others. As the world continued to advance, this tendency to specialise increased ; in recent times it has become more and more marked. Our modern economic organisation is based on an extensive system of specialisation.

We may divide the workers of to-day into five main classes. First there are those engaged on what are called *Extractive Industries*, that is in the extraction of raw materials from land or sea. In this class fall all those engaged in growing things, such as farmers and cultivators of all sorts, those who extract metals or other products such as oil from the earth, as well as fishermen and breeders of live stock for meat or hides or wool. In another class fall those occupied in *Manufacturing and Constructive*

# COMPARISON OF PERCENTAGE OF POPULATION ENGAGED IN DIFFERENT TYPES OF OCCUPATION IN THREE COUNTRIES

	GREAT BRITAIN	CANADA	INDIA
EXTRACTIVE INDUSTRIES			
MANUFACTURING AND CONSTRUCTIVE INDUSTRIES			
COMMERCE AND TRANSPORT			
DIRECT SERVICES			

EACH FIGURE REPRESENTS 10% OF THE WORKING POPULATION

FIG. 7



*Industries*, such as factory workers, engineers and builders. Another group are engaged on the vast work of *Transport* by land or sea or air. The fourth class consists of those who devote their energies to *Commerce and Finance*, to the buying and selling activities of the world. Finally there is a class of workers engaged on what are called *Direct Services*. This class includes those employed in public administration, such as civil servants, in professions such as medicine, teaching and the law, as well as writers, musicians, artists and those who make their living by providing the many different forms of entertainment which exist to-day.

If one compares the percentage of the population in different countries falling into each of these classes one finds great differences. In 1921, in Great Britain, which is primarily an industrial country, only 18% of the population were engaged in extractive industry, while 36% were engaged in manufacture and construction, 26% in transport and commerce and 25% in direct services. In countries where large quantities of raw materials are produced for export or where a large number of the population are engaged in growing their own food the percentage of those engaged in extractive industry is much bigger, while that of those engaged in manufacture and commerce is smaller. For instance the 1931 Census for India showed that about 70% of the population were engaged on agricultural and pastoral pursuits, and only 10% in industry.

Not only do men specialise in different occupations, localities also specialise in the production of different sorts of goods. Various factors determine what industry or occupation shall spring up in any given area. Climate, convenient supplies of raw materials, easily obtained sources of power to drive machines, suitable facilities for transport, nearness to potential markets for the finished products, any or all of these may operate in causing an industry to spring up in a special locality. For instance, closeness to the coal fields needed to provide power for the machines

and to the ports nearest to the United States, together with its moist climate, resulted in Lancashire's becoming the seat of the English cotton industry. Proximity to supplies of iron and coal has caused Sheffield to become a centre for the manufacture of cutlery.

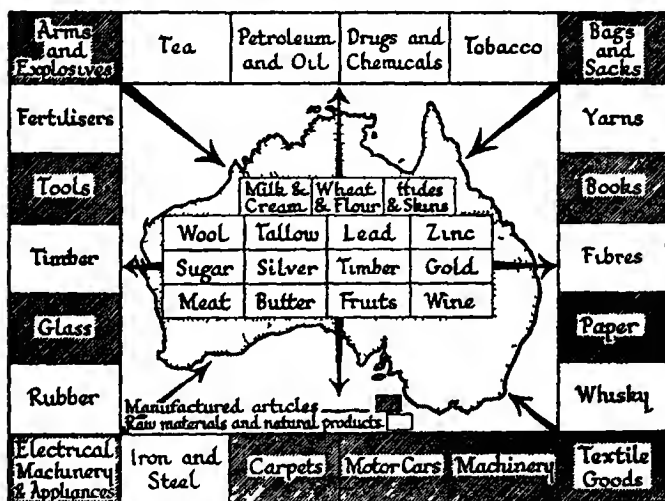


FIG 8—EXPORTS AND IMPORTS OF AUSTRALIA

While Australia has developed a number of industries their products are absorbed by her own people. She is obliged to import a good many manufactured articles and commodities not grown at home, to pay for which she exports raw materials and agricultural products.

Thus a country or region tends to specialise in producing those things for which its position, climate, natural resources and particular advantages make it especially suitable, relying on imports from other parts of the world to supply it with those things it cannot produce so conveniently. While some countries, such as our own, concentrate on producing manufactured goods, which they exchange with other countries for food-stuffs and those commodities which they cannot produce so well at home, others, such as the Argentine or Canada or Australia, are primarily

engaged in the production of food-stuffs, such as meat and grain, which they exchange for the manufactured goods they need. But for this specialisation there could be no international trade, for one country can only sell to another provided it is prepared to buy that country's goods. If a country tried to produce everything it needed it would be unable to sell its surplus products; only when countries are able to sell their surplus products can they obtain the necessary credit to enable them to buy from others.

Not only do individuals tend to confine themselves to one trade or occupation, not only do localities and countries tend to concentrate on producing those things which they can produce best, within each trade and industry also the workers tend more and more to specialise on carrying out one particular process. No longer does one man make an article from start to finish. In order to secure greater speed and efficiency each part of an industrial process is carried out by a different person, who may spend the whole day performing one action in which he has acquired special skill. In the assembling of a motor car, for instance, one man may do nothing but fix and screw up one particular nut as the partially finished cars go past him on a moving belt. In a cocoa-tin factory one person may feed sheets of metal into a machine which cuts them to the required size, another may feed these into another machine which turns them into hollow cylinders, yet another will mind a machine which stamps out the bottom of the tin, while another will be responsible for welding the two together. Before the tin is complete with lid and label ready to be filled with cocoa it will have gone through a number of hands.

Machines, moreover, have become more and more elaborate and efficient and have more and more ousted the labour of men's hands. In order to carry out each process of manufacture more speedily and efficiently new machines are continually being invented. Not content with a machine which can perform one process only, inventors have made machines which can carry out a whole series. An up-to-

date match-making machine can not only perform every process required in making a complete match but is also capable of delivering the matches ready packed in boxes. Tobacco and paper are fed into a modern cigarette machine which at the other end turns out the cigarettes complete and ready for smoking.

Had this book been written a hundred years ago all the type would have had to be set up by hand, letter by letter; men's hands would have been called into play to print it, fold the pages, bind them and make and stamp the cover. Since it has been written in the twentieth century it has been produced by machinery. The compositor has sat at a machine rather like a large and elaborate typewriter and with my manuscript in front of him has transcribed on the keys what I have written, while metal letters have come out of the machine all arranged in lines for printing. Another machine has printed the book, another folded the pages, another bound them together and another fixed them in their covers. The result is that the book has been able to be produced in greater quantities and much more cheaply than if everything had had to be done by hand.

The great increase in the number of goods available and the cheap price at which they can now be bought has been due to the development of what is called *Mass Production*, that is the making of goods in large quantities by methods such as have been described, whereby the cost is reduced to the lowest possible minimum.

We shall have more to say about costs and prices in our next chapter. Here it is sufficient to state that the cost of an article depends on wages paid, raw materials used and overhead charges, such as the cost of the factory, machines etc. necessary before manufacture can begin. Every article must bear a proportion of these overhead charges. Elaborate modern machinery is expensive. If only a few articles are produced each article must bear a large percentage of the cost of this machinery; it cannot be sold cheaply. If on the other hand a very large number of articles are

being turned out by the machines only a small percentage of the cost of the machinery has to be borne by each article and it can be sold at a low price. While the machine can produce more quickly and more cheaply than hand labour, it is necessary to sell in large quantities to make machine production pay. The success of mass production thus depends on large markets for the goods produced being available.

The possibilities of mass production have been realised for over a hundred years, but the American motor car manufacturer, Henry Ford, was perhaps the first man to apply these principles drastically. Before his time motor cars were expensive luxuries which only the rich could afford to buy. Henry Ford conceived the idea of reducing the cost of manufacturing motor cars by standardising each process in their manufacture, so that they could be sold at a price at which a vastly increased number of people could afford to buy them. His undertaking was so successful that his methods have been widely followed and modern industry has become more and more organized on mass production lines.

Thus during the last hundred and fifty years the world has seen the replacement of hand labour by the machine. The gains have been considerable, a greatly increased standard of comfort for everyone, since far more can afford to buy the cheap goods which modern factories produce in large quantities, a decrease in human toil and possibilities of much greater leisure. There have, however, been losses. To make an article from beginning to end by hand is a much more interesting task and demands far greater skill than to spend one's day feeding a sheet of metal into a machine or screwing a single nut on a motor car. Modern industry demands high ability from some who are engaged in it, such as the organizers and managers, the inventors of new processes or the engineers who look after the elaborate machines, but the majority of workers have merely to follow a dreary routine, involving little skill and deadening to both mind and body.

## CHAPTER 10

### HOW AN INDUSTRIAL UNDERTAKING IS STARTED

**W**E have in previous chapters tried to draw a picture of how our modern economic organization has come into being and what it looks like. Let us now follow the fortunes of a certain Mr. X who is about to start a factory on the most up-to-date lines.

Before, however, we see how he sets to work, let us ask the question : why should he start a factory at all ? He is not going to do it because he thinks it would be fun to have a factory to play about with nor because he is a philanthropist and thinks that thereby he will help his fellowmen. He believes that if he manufactures a certain article people will want to buy it and that he will be able to make a profit for himself.

Before he can start manufacturing he will require four things. He will first need a factory. He may be able to buy or rent one which is already built, he may decide to build one for himself. He will choose the site very carefully so that the raw materials he needs will not cost too much to transport and so that he is not too far away from the markets in which he wants to sell the articles he has made. He will probably choose a site close to a railway or a main motor road. Then he will need the machines necessary to manufacture the article. Since he wants to have the most efficient, up-to-date machines he can get, these may possibly have to be specially designed and constructed. He will also require supplies of the raw materials from which the article is made. Lastly he will need labour of all sorts, managers to supervise the various departments of the

factory, engineers to look after the machines, foremen, men to mind the machines, packers and lorry drivers, as well as clerical workers such as accountants and typists.

All this is going to cost a great deal of money. A very great deal must be spent before the profits begin to come in. Where is the money to come from? It is unlikely that Mr. X will have it himself.

He might borrow from a bank. Banks, however, do not care to lend large sums which may not be paid back for many years. It is probable that Mr. X will decide to float a company, that is, he will try to persuade a number of people who have money to spare to lend it to him to start his factory. If he promises them a share in his profits he will probably be able to find a sufficient number who will be willing to do so.

So the X Company Limited comes into existence. The factory is secured, machines and raw materials are bought, workers are engaged and manufacture begins. Soon the complete article is ready to sell to the public.

Before Mr. X can begin to sell, however, he must decide at what price the article shall be sold. Let us see how he arrives at this price. He must consider first of all how much the article has cost him to make. His biggest item of ordinary expenditure will probably be wages. Let us say that for every 5,000 articles he makes he has to spend £500 in wages for all the different sorts of labour he has employed. Then the price at which each article is sold must pay him back 2/- in order to pay his wage bill. He must also reckon in the cost of the raw materials. Let us say this is 6d. per article. Something more must, however, be added to this. Mr. X has had to pay for his factory and machines, for power to run the machines, for transporting his goods to the shops which will sell them to the general public. He may, also, have employed travellers to visit the owners of retail shops to persuade them to buy from him; he may have advertised his goods in newspapers. He will, moreover, remember that his machines will some

day wear out and have to be replaced. Something must be added to cover all these expenses. Let us put it at 1/- for each article manufactured. Thus the cost to him of each article is 8/6.

Mr. X is not, however, going to sell the article at 8/6. Both he and those who have lent him money want to make a profit. Something must be added for that before he can

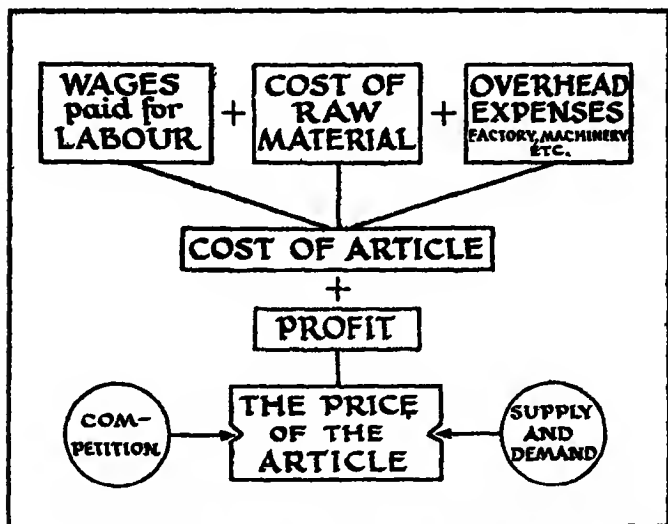


FIG. 9—FACTORS DETERMINING THE PRICE OF AN ARTICLE

decide on his selling price. He may decide that another shilling added to the cost of making each article will give him a reasonable profit and so fix the selling price at 4/6. He may, however, argue as follows: I am producing something new for which a certain number of people will be willing to pay a much bigger price than 4/6. Later I can sell more cheaply but first I shall make my selling price 15/. Since I am selling not directly to the public but through retail shops, which also want to make a profit,



the shop or retail price shall be a guinea. At a guinea the article appears on the market and, since there is a sufficient demand for it at that price, Mr X. and his shareholders make a very big profit.

The number of people, however, who want Mr. X's article badly enough to pay a guinea for it is probably limited; after a time the demand for the article at that price falls off. Mr. X then argues: While there are only 10,000 who are willing to pay a guinea for my article there are probably 100,000 who would willingly pay half a guinea. If I reduce the price I shall sell many more articles and still make a very good profit. So the price is reduced.

So far we have assumed that Mr. X has had the market to himself. Soon, however, another firm begins to offer the same or a similar article for sale. It does not cost this firm any more to produce it than it cost Mr. X, i.e. 3/6. The new firm offers the article to the public at 7/6. Since it is no less good than that offered by Mr. X, his sales soon begin to decrease. If he is to continue to sell his goods he must lower his price. He decides to put his retail price at 5/-.

Continued competition between the two firms will tend to reduce the price still more. As it becomes keener and keener the amount of profit will become smaller and smaller, though it may still be kept at a reasonable level since, as the price becomes lower, more people are able to buy. Both firms will, moreover, try to decrease their costs of manufacture by introducing better machines and more efficient manufacturing processes, by reducing the amount of labour or even by lowering wages. They may possibly come to some agreement so as to eliminate cut-throat competition. There is a limit, however, below which the price cannot fall. If it falls below the cost of production then sooner or later the manufacturer will go bankrupt.

From what has been written it will be seen that the cost of an article is made up of wages or labour plus material

plus overhead charges. The selling price is the cost price plus profit. Since the factory does not sell directly to the consumer more than one set of profits must be allowed for, that of the retailer who sells the article in the shop as well as that of the manufacturer. The amount of profit will also be affected by the fact that the selling price is influenced by the demand for the article—it is sometimes said that price depends on the relation of supply and demand—and by the amount of competition.

Earlier in this chapter we have said that Mr. X would probably get the money to start his factory by floating a company. What is known as the *Limited Liability Company* is the chief means of financing modern industry. In the next chapter we must tell more about it.

## CHAPTER 11

### HOW LIMITED LIABILITY COMPANIES WORK

**I**N order to start as a master the mediæval craftsman, as we have already seen, required little money. He worked in his own house, he needed few tools and not much raw material. In our day a man starting a small retail business, which he hopes in course of time to expand, needs more money but probably not more than he can save or borrow easily. A large-scale industrial undertaking, on the other hand, needs a great deal of money, much more than any one man is likely to possess. Where is he to get it from ?

Most people try to save money. If they are to provide for the future they do not want to spend all they earn. The amounts they are able to save are, however, usually small and they are unable to make profitable use of them. themselves. Some will put their savings into the Post Office Savings Bank, others will buy Savings Certificates, others take out an insurance policy. Some will be willing, however, to lend their savings to industrial or commercial ventures in return for a share of the profits made, thus becoming partners on a small scale in the undertakings ; they are said to invest their money in a *company*.

The practice of forming companies is comparatively recent. It originated in the advantage to merchants engaged in trade with foreign countries of pooling their resources in order to be able to carry on trade more effectively. It was much safer in the sixteenth or seventeenth centuries to send a fleet of ships to the East Indies than a single vessel. A group could, moreover, negotiate for trade concessions

more effectively than a single individual. So we find such companies as the Hudson Bay Company and the East India Company being formed.

At first each merchant owned his own ships and traded with his own capital. As undertakings became more expensive, however, the practice arose of asking a number of people to subscribe to a venture. If the undertaking promised good profits many people who could only afford small sums were willing to lend this money to the company to finance the venture. The practice had several advantages. Money which would otherwise have lain idle was brought into use; the risks of loss were spread among a large number of people and undertakings were able to be financed to an extent which would have been impossible if a single individual had had to find all the money. Moreover, to buy shares in a company did not mean that the buyer's money was shut up perpetually. Shares could be sold, so that if anyone wished to recover his money for any purpose he would probably find others willing to buy his shares from him.

With the coming of the machine and railway age in the eighteenth and nineteenth centuries the need for large amounts of capital<sup>1</sup> increased. One thing, however, prevented people subscribing to companies as freely as they might. If a person bought shares in a company he became a partner, and, according to the laws governing partnerships, every partner was equally liable, whatsoever his share in the company, for all the debts of the company. People who had, say £100, to invest were loath to invest it in a company, over whose doings they had little or no control, which might go bankrupt and for the debts of which they might be held legally liable to the full extent of their private fortunes.

This difficulty was removed by the Companies Act of 1862, which made possible the formation of *Limited Liability*

<sup>1</sup>The word capital has two meanings. It may be used with reference to actual money, as here, or it may be used to describe all the resources of a company—factories, machinery, etc.

*Companies.* Each shareholder in a limited liability company is liable only for the amount of money he has invested in it. If he has invested £100 and things go wrong, he may lose his £100 but he cannot lose more. Since the passing of the Companies Act of 1862 the floating of a limited liability company has become the normal means of raising capital for undertakings of all sorts.

When a new company is being formed those responsible for its formation issue a prospectus describing what the company intends to do and what its prospects are, and offer shares in it to the general public. Shares may be of any value, 1/-, £1, £5 or even £100. There are two main classes of shares, preference shares and ordinary shares. Usually preference shares carry a fixed rate of interest and the preference shareholders are paid interest before the ordinary shareholders. Ordinary shares carry a variable rate of interest according to the amount of profit made by the company. If the company does well the ordinary shareholders may be given a very high rate of interest; if the company does badly they may get nothing at all. Some companies issue what are called debentures. These are a form of mortgage on the assets of the Company and interest must be paid on them even though none is paid on other shares. Failure to pay this interest would involve the company in bankruptcy.

We have said that to buy shares does not mean that capital is shut up permanently. Shares are bought and sold on the Stock Exchange. The price which the buyer will be called upon to pay for shares in any given company will depend on what sort of profits the company is making. Each share has a nominal or "par" value, the price at which it is issued i.e. the "par" value of a £100 share is £100. An investor expects to get a reasonable interest on the money he invests, say 4%, that is £4 each year for every £100 invested. A company may, however, make such good profits that instead of paying 4% it is able to pay 10%. The price which buyers are willing to pay for a £100 share

FIG. 10—STOCK EXCHANGE QUOTATIONS

in the company will then rise. £100 shares will be quoted on the Stock Exchange not at the par value of £100 but at say £250. If on the other hand a company does not make good profits then the value of its shares will drop and a £100 share may be quoted at only £45.

Since they have subscribed the capital the shareholders are the real owners of the company. They cannot, however, run the affairs of the company themselves; they have neither the time, inclination nor knowledge. A Board of Directors is, therefore, appointed. This Board of Directors meets at intervals to decide how the affairs of the company are to be run. The actual day to day work of the business is entrusted to a salaried General Manager who will probably have assistant managers under him. He may have a seat on the Board of Directors, in which case he is called a Managing Director.

The object of the company is to earn profit. Each year or half year the accounts of the company are made up and the Board of Directors decides how the profits, if there are any, shall be used. Some will be put aside to form a reserve fund, the remainder will be distributed among the shareholders as dividends, that is, interest on their shares.

Whether this system of the profits of the company going to people who merely provide capital but do no actual work is a right and fair one is a matter of opinion. Some say that it would be fairer if those who did the actual work got a bigger reward for their labour. Some firms do, indeed, attempt to give to the workers more than their salaries or wages by distributing some of the profits in the form of bonuses. It must be remembered, however, that those who take shares in a company run the risk of losing their money if the affairs of the company do not prosper and so may rightly demand a reward for accepting this risk. Moreover, only by offering a reward can people be induced to save their money instead of spending it,

In recent times there has been a tendency to amalgamate companies into bigger and bigger groups. In order to ensure greater efficiency, banks, railways, etc. have been linked up. For instance, nearly all the British Joint Stock Banks have been amalgamated into five big groups. Industrial companies, too, have combined in various ways. There are two main types, vertical combinations and horizontal combinations. In a vertical combination firms engaged in one form of industry at different stages are brought under a unified control, so that the production of raw materials, transport, manufacture and selling can be more efficiently organized under centralized management. A horizontal combination links up a number of firms engaged on the same type of production in order that costs may be reduced, output and prices controlled, competition eliminated and selling centralised.



## CHAPTER 12

### MONEY AND BANKING

**I**N the tombs of ancient Egypt are found pictures of the markets of that time. In them we see such scenes as that of a cobbler offering a pair of sandals in exchange for a cake or of a small box being given in exchange for a fish. The people of that era had no other means of obtaining what they wanted than by offering another article in exchange. We call this form of trading trade by barter, and it is found among all primitive peoples.

Trade by barter has this very obvious defect; the would-be buyer may not have the particular article the seller wants. Before trade could develop it was necessary to find some means of getting over this difficulty. The means discovered was that of using a precious metal of a given weight, in terms of which the value of an article could be expressed and which the seller was willing to accept for the article the buyer wished to purchase. For large transactions the ancient Egyptians used rings of gold or copper. The Babylonians used lumps of silver and the price of an article was quoted as such and such a weight of silver; the actual standard weight was called a shekel.

About seven centuries before the birth of Christ a further step was taken. Lumps of silver of a fixed weight and of a convenient size and value were stamped with the head of the ruler or with some other design as a token that their value was guaranteed by the state. These lumps of silver were the earliest coins and they made trading very much more convenient and easy. No longer need goods be offered for goods. The buyer could offer to the seller so many

of these stamped lumps of silver or coins. The seller would be willing to accept payment in this form because he knew that the coins were of a guaranteed value and that he in his turn could use them to buy what he wanted.

Until recently two sorts of coins were used. In the first the face value of the coin and the value of the actual metal contained in it are the same. The English sovereign was a coin of this sort; the gold in it was worth exactly £1. For reasons which need not be considered here, the sovereign is no longer in general use and the gold in it is now worth more than £1. In the other sort of coin the value of the metal has no relation to the face value of the coin, which is worth the value given to it simply because everyone is willing to accept it at that value. These coins, such as half crowns, shillings and pennies, are issued by the state in sufficient quantities to meet the need of its citizens for small change. They are called *token* coins and are not valuable in themselves but because they can be used as tokens for the amount stamped on them.

Nowadays coins are only one of the kinds of money used. Transactions involving anything but small amounts are carried out by means of paper money such as banknotes or by means of cheques. Before we can, however, understand these various kinds of money we must say something about the origin and functions of banking.

In the seventeenth century, when England was in a disturbed state, the custom arose of entrusting gold and silver to the goldsmiths of the City of London for safe custody. As a receipt the goldsmiths gave a *Goldsmith's Note*, showing the value of the gold and silver deposited. Since these receipts represented a definite amount of money lodged with the goldsmiths they came to be used instead of the money itself, since anyone accepting a goldsmith's note knew that if he wished he could take it to the goldsmiths and receive gold in exchange. As time went on the goldsmiths came to realise that it was unlikely that all the money placed in their care would be drawn out at the

same time. Provided that they always had sufficient gold to meet demands for repayment, it was safe to lend out the remainder entrusted to their care at interest and so make a profit for themselves. Moreover, the borrower would not necessarily demand that the goldsmiths should lend him actual gold. He was quite content if the goldsmiths gave him a note promising to pay gold if demanded. This note he could use exactly as if it were gold, since anyone would accept it at the value shown on it. Here we have the origins of banking and banknotes.

The Bank of England came into existence in 1694. By its first charter it was to have a subscribed capital of £1,200,000, all of which was to be lent to the Government at 8% interest. In return for this service it was to be allowed to issue "bills payable in coin on demand". These were the first real banknotes.

While at the present time the Bank of England to some extent carries out the same duties as other banks, it has functions and duties all of its own. It is the Central Bank of the country and acts as banker to the other banks. It works, moreover, in close co-operation with the Treasury and advises the government in matters of national finance. It administers the National Debt and pays interest on it; it keeps the accounts of the government departments and holds the government deposits; it is responsible under regulations laid down by Act of Parliament for the issue of banknotes; in its vaults is kept the greater part of the country's gold.

But to return to the history of banking. It will be seen that banking could be a very profitable business. Provided the banker had always enough gold to meet demands he could issue notes, which are merely promises to pay gold on demand, for far more money than he actually possessed. Numbers of private banks came into existence, each issuing their own notes. So long as a bank's customers trusted in its ability to pay gold for notes all was well. If, however, for any reason, confidence was

lost, a run on the bank might result. That meant that people had begun to doubt a bank's ability to meet its obligations in gold and wanted to get their money out as quickly as possible. If a bank could not meet its customers' demands it would have to go bankrupt and those who had trusted it would lose their money. In the early days of banking there were a good many failures of this sort, with the result that in 1844 an Act of Parliament, called the Bank Charter Act, forbade the issue of further notes by the ordinary banks and compelled the Bank of England to cover all its note issues beyond a certain amount by actual gold and silver. Since 1844 the amount of banknote cover demanded has been gradually decreased. By the Currency and Banknotes Act of 1928 the Bank of England was allowed to issue banknotes up to £260,000,000 without gold backing.

English banking was made safer still by the gradual disappearance of the numerous small local banks and the concentration of most of the banking business of the country in the hands of five of the most important, Barclay's, Lloyd's, the Westminster, the Midland and the National Provincial. These five banks have branches all over the country and have such vast resources at their disposal that it would require a very serious crisis to cause any one of them to fail. One may now entrust one's money to a bank with full confidence that one will be able to draw it out when one wants it.

From what has been written above the main functions of a bank will have become clear. It acts both as a borrower and lender of money. People do not wish to keep their spare cash in a teapot or stocking; they find it more convenient to place it in a bank, where they know it will not only be safer than if they kept it in their own possession, but also that they can, by means of cheques, handle it more easily. This money is lent to the bank. The bank is willing to accept it, take care of it and provide the lenders with all sorts of conveniences because it knows that it can use the money with profit to itself. For there are always

people who want to borrow money for various purposes, such as to run their businesses or to build themselves houses. They are, moreover, willing to pay the bank for the use of the money it is willing to lend to them. So the bank does not keep the money entrusted to its care shut up in strong rooms. It lends it, under proper safeguards, to those who can in various ways make use of it and are willing to pay interest for its use. Actually the bank does not give any money to those who borrow from it. It gives them *credit*, that is a promise to meet demands for payment up to an agreed amount.

How this system of credit works will become clearer in the next chapter.

## CHAPTER 13

### HOW MODERN ECONOMIC ORGANIZATION DEPENDS ON CREDIT

**T**HERE are two main types of banking accounts, the *deposit* account and the *current* account.

By means of a deposit account money which the depositor does not at the moment need is kept in safe custody by the bank, which pays a small interest on it. The interest paid by the bank on money in a deposit account is lower than could be got by investing the money in government or industrial shares. Quite small sums can, however, be added to a deposit account at any time, its value will not change and the money can be drawn out at short notice. Shares, on the other hand, may change in value from day to day and must be sold on the Stock Exchange before the money invested in them can be realised. Moreover, when the money invested in shares is needed by the owner the shares may have dropped in value and in order to get back the money quickly they would have to be sold at a loss.

A current account is a means provided by the bank whereby a customer's money is looked after and yet may be drawn out at any time in varying amounts according to the customer's need of making payment to those to whom he owes money. No interest is paid on current accounts; indeed, if the customer does not keep a reasonable balance in his account, the bank will charge him for keeping it for him.

When a man opens a current account at a bank he is given a paying-in book, a cheque book and a pass-book. The paying-in book he uses to record the sums he pays

into his account. In the pass-book (usually loose-leaved) the bank copies from its own ledgers all the sums he pays in and, on the opposite page, the amounts he draws out. Thus he may examine at any time what he has paid in or out and how much money he still has to his credit. All outgoing payments he will make by means of cheques.

A cheque is simply a piece of paper whereby a man who has an account at a bank orders the bank to pay to the person named on the cheque the sum shown thereon.

By the system of cheques, the payment of debts may be easily carried out. At the end of the month a man, whom we shall call Mr. Jones, receives his salary cheque from his employer, Mr. Atkins, and pays it into his current account. He needs a certain amount of actual cash to pay household expenses. He therefore makes out a cheque to "self", showing the amount needed, writes his signature in the bottom right hand corner and endorses it, that is, signs his name on the back. He then presents this cheque at his bank and receives the money he needs in notes and coins. He may, however, wish to pay his rent and his doctor's bill. He therefore makes out cheques to his landlord, Mr. Brown, and his doctor, Dr. Smith. In order to be absolutely safe he will "cross" these cheques, thus ensuring that they can be cashed only by those to whom they are made out. All he need then do is to put the cheques in envelopes and post them to Mr. Brown and Dr. Smith. When Mr. Brown and Dr. Smith receive the cheques they will endorse them and pass them into their current accounts at their respective banks. They may have the same bank as the Mr. Jones who has paid the cheques. In that case all the bank has to do is, to deduct (debit) the sums in question from Mr. Jones' account and add (credit) them to the accounts of Mr. Brown and Dr. Smith. It will, however, make no difference if Mr. Brown and Dr. Smith do not bank at the same bank as Mr. Jones. Each will pay the cheques into their own banks and the respective banks

# CHEQUES & CREDIT

Mr ATKINS



who has his account at Bank B writes cheque for £30 payable to

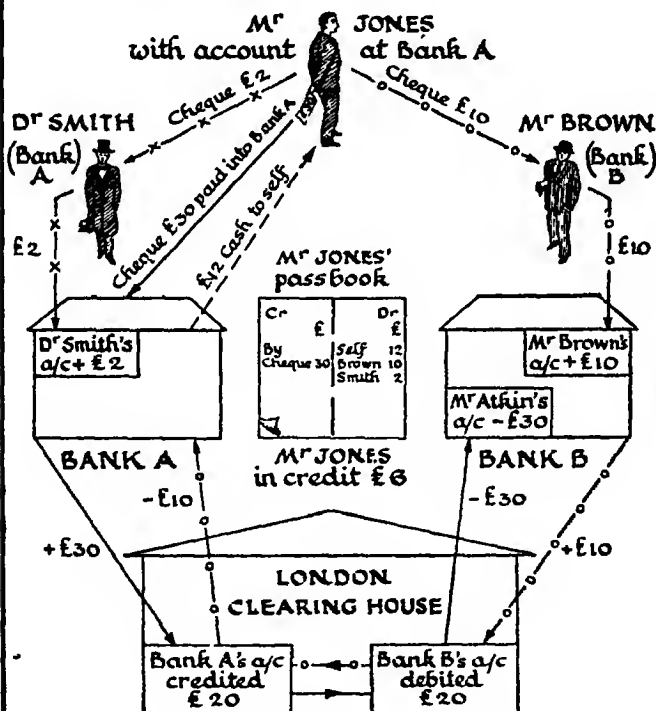


FIG. 11



will, through a Clearing House, make all the necessary adjustments in the three accounts.

The description of the simple transactions contained in the above paragraph brings out an important point. While in order to pay his household expenses Mr. Jones has drawn actual cash from the bank, in paying Mr. Brown and Dr. Smith no cash has been used. All that has happened is that the accountants at the banks have shown in their ledgers that Mr. Jones has a lesser amount to his credit while Mr. Brown and Dr. Smith have a greater amount than before.

Since most payments are made by means of cheques it is possible for banks to create credit far in excess of the actual cash they possess. Actually it has been found that banks need keep only about 10% of the total of all their deposit and current accounts in actual cash, since this is the amount which experience has shown is likely to be called for.

How credit is created may be illustrated by examining what actually happens when money is borrowed from a bank. The borrower does not take away the amount he has borrowed in the form of notes and cash in a bag. Let us say he arranges for a loan or advance of £500. All that the bank does is to credit his account with that sum. The borrower can then write cheques on the bank up to that amount. Those who receive the cheques may in some cases demand actual cash, but for the most part will pass the cheques into their banks and have their accounts credited with the amounts shown on the cheques.

By means of loans or by allowing their customers to arrange for "overdrafts", banks are continuously creating credit. To arrange for an overdraft is simply another form of borrowing. In order to meet his liabilities a tradesman may for a short period need more money than he has in his current account. He will therefore request the bank to allow him to overdraw, that is to write cheques for an amount greater than that which is shown to his credit in

the bank's ledgers. If the bank considers that his business is a sound one and that he can pay back the money in due course it will give the permission asked for, charging him interest on the amount overdrawn.

Banks do not usually lend money—or expressed better, give credit—for long periods. If a man wished to buy a consignment of goods which within a short time he expected to sell at a profit he would ask his bank for the necessary credit and the bank would probably give it to him. If, on the other hand, he wished to build and equip a factory, thus incurring a debt which could not be paid back for a long time, he would not approach a bank but would, as we have already seen in a previous chapter, borrow the money by the issue of shares on the Stock Exchange.

Banks are not the only sources of credit. A man wishing to build a house might borrow the money from a bank. He would, however, be more likely to approach a building society, which would probably consent to advance him the money needed on his undertaking to pay interest on it and to pay back each year a proportion of the capital borrowed until the debt was paid. Insurance Companies which accumulate large amounts of capital, also make medium and long-term loans to business enterprises.

Another form of cheque is the *Bill of Exchange*. The main difference between a Bill of Exchange and an ordinary cheque is that in writing a cheque the writer promises to pay the sum immediately, while a man *accepting* a Bill of Exchange promises to pay at some future date shown on the bill. For instance, a firm may wish to purchase from another firm goods for which it cannot afford to pay for some months. The firm selling the goods may not wish to wait for its money. A Bill of Exchange is made out by the sellers by which the buyers promise to pay the amount due for the goods in say three months. The buyers *accept* this bill and the goods are delivered. The sellers can, if they wish, keep the bill and present it for payment when it becomes due, but, if they so desire, they can either

use it immediately to pay their own debts or take it to a bank and have it "discounted", that is, receive the amount of the bill less "discount". Discount is a percentage charged by the bank for what is virtually a loan, since it cannot recover the money from the buyers who have accepted the bill until the three months are up.

Bills of Exchange are extensively used in foreign trade where different currencies are involved. The working of Foreign Bills is, however, so intricate that it cannot be discussed in detail here.<sup>1</sup>

<sup>1</sup> A good account of how foreign Bills of Exchange work is given in Jordan : *Essential Economics*, Chapter VI, § 4.

## CHAPTER 14

### FOREIGN TRADE, RATES OF EXCHANGE AND THE GOLD STANDARD

**W**E have already seen that modern economic organisation is world wide ; every nation is dependent on others for the necessities of life ; trade is international.

Currencies are, however, national ; each nation has its own money system. In Great Britain the price of an article is expressed in pounds, shillings, and pence ; in France in francs ; in Germany in marks ; in the United States in dollars. International trade demands that there should be some known relation between these national currencies. An American merchant who prices his goods in dollars, buying from an English merchant, pricing his goods in pounds, must, in order to trade, buy English pounds. He must know how many dollars he must pay for each English pound he requires to purchase English goods.

The steadier rates of exchange between different currencies are, the better for trade. An American merchant, quoting a price for goods to an English merchant, may be very hard hit if, between the time he has named his price and the time the English merchant pays him, the value of the dollar in relation to the pound has gone down. Indeed if rates of exchange are varying to any great extent he may feel that it would be unsafe to trade at all. Before the War rates of exchange, as they were all related to gold, varied very little from day to day. Since the War, however, they have, for various reasons, tended to vary much more. At times, as for instance when the German currency collapsed, they have fluctuated violently.

What causes these fluctuations in the rates of exchange? Each country is engaged in exporting and importing goods, which must be paid for either in foreign bills of exchange, i.e. by the buyer purchasing the money of the country from which he is buying, or in gold. If French merchants are buying from England more goods than English merchants are buying from France, French merchants will need a greater amount of English currency than English merchants will need of French. English bills will therefore be in greater demand in France than French bills in England. Since price depends on demand, the value of English bills will thus tend to go up, the value of French bills to go down; while the value of the English pound expressed in terms of French francs will increase, the value of French francs in terms of the English pound will decrease.

These changes in relative values will, however, affect the flow of goods between the two countries. Since English merchants can now get more francs for each pound, they are able to buy French goods more cheaply than before. They will therefore tend to buy more of them. French merchants on the other hand will tend to buy fewer English goods, which to them will have become more expensive. So the demand for French bills in England will increase and the demand for English bills in France decrease, with the result that the value of the franc will rise and that of the pound go down, thus bringing the rate of exchange back to its original position. In short, the rise and fall of rates of exchange depends on the demand for different currencies and this in its turn depends on the volume of import and export trade between the countries concerned.

It must not be thought, however, that goods are the only things bought and sold. Countries also sell services. Though owing to depression in world trade the volume of goods carried in ships has decreased, Great Britain still receives large sums for shipping services. A French merchant whose goods are carried in a British ship must pay in English currency for this service in the same way as if

# FOREIGN TRADE AND RATES OF EXCHANGE

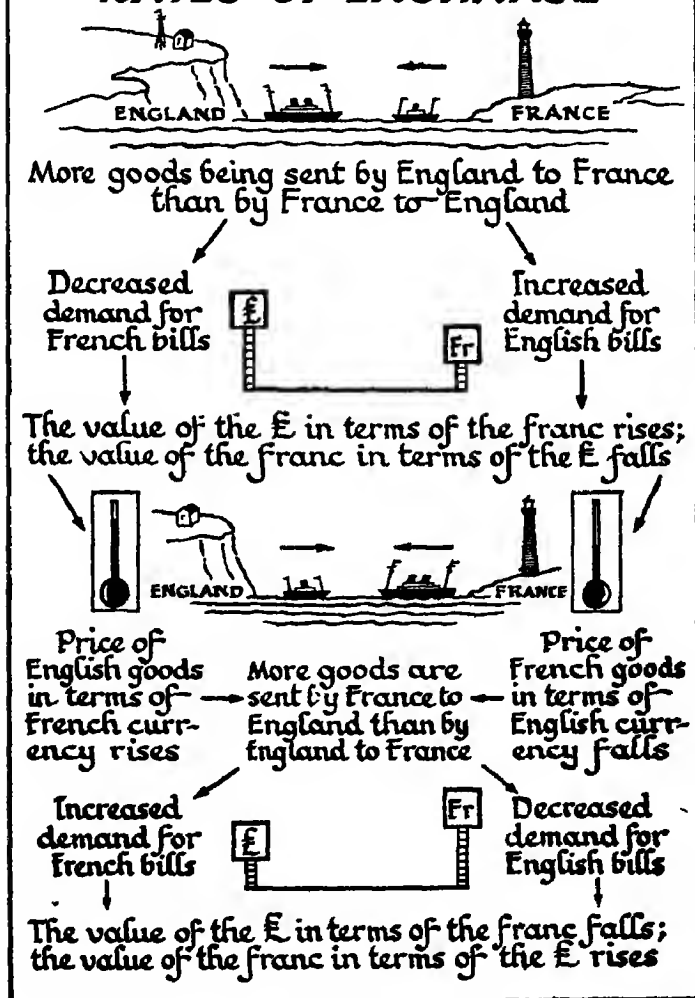


FIG. 12

he were buying actual goods. Banks not only finance trade in their own countries, they also finance foreign firms and receive interest on the money lent. English insurance companies conduct business for people in many lands. A glance at the quotations of shares on the Stock Exchange or Wall Street or the Paris Bourse will show that investors invest their money in undertakings all over the world. British investments abroad are estimated at the huge sum of £4,000,000,000.

Thus the movement of goods between one country and another, the rendering of services, such as shipping, banking services and insurance, foreign investments, even holidays abroad, since to go on a holiday abroad necessitates buying money of the country to which one is going, all affect the rates of exchange. To these factors must be added speculation in foreign exchange, political events, which may result in violent fluctuations, and, since people will tend to transfer their money to the banks offering the highest interest, changes in the bank rates of different countries.

So far we have hardly mentioned gold. Surely gold is all important in international trade. If not, why all this talk about keeping on or going off the Gold Standard? The whole question is a very difficult and intricate one. Something, however, must be said about it.

When countries are on the Gold Standard their currencies, since they are based on gold, can be expressed in relation to each other in terms of gold and debts between them can be paid in gold, which has a fixed value. This tends to keep rates of exchange stable. For, while in order to pay his foreign debts a merchant may buy gold and ship it to the country to which he owes money, he will tend to adopt the more convenient way of purchasing foreign bills. If, however, the price of foreign bills, for reasons explained above, were too high, he might find that the cost of buying gold plus the costs of freight and insurance was a cheaper method of paying his debts. He would therefore pay in gold. But the influx of gold into a country—since it increases

the amount of credit that the banks can allow and so the amount of money in circulation,—tends to raise prices and so to reduce the demand for the goods of that country abroad, thus lowering their price on the international market and turning the flow of gold in the opposite direction. The rate of exchange between two countries on the gold standard does not normally vary beyond the points at which it becomes profitable to send gold in either direction, a very small variation indeed. For this reason some economists are strong supporters of the Gold Standard.

The Gold Standard may, however, work in another way not so beneficial. The Central Bank of a country, in Great Britain the Bank of England, acts as a banker to the Joint Stock banks of the country, all of which have deposits in the Central Bank. On the amount of deposits they have in the Central Bank and on the amount of gold it holds depends the amount of credit they can issue to their customers. Thus, if large amounts of gold are, as a result of transactions with other countries, being drained from the vaults of the Central Bank, the amount of credit the Joint Stock banks can allow is decreased; there is less money in circulation.

Now prices depend on the relation between the amount of goods available to be sold and the amount of money available to buy them. If there are large quantities of goods for sale but little money in circulation prices will fall; if the quantities of goods are small and there is a good deal of money or credit available prices will tend to rise. It will be seen, therefore, that if, as a result of keeping on the Gold Standard, the amount of gold in the country is materially decreased, though rates of exchange may be kept stable, internal prices will fall. The effect of going off the Gold Standard, though it may cause rates of exchange to fluctuate, makes it possible to keep internal prices steady, since they no longer depend on the amount of gold held by the Central Bank.

Actually the matter is much more complicated than



might appear from what has been written above, but enough has been said to give some general idea of how international exchanges work. At the present time they are not working at all well, and the experts do not seem to be able to discover a method of making them work more efficiently.<sup>1</sup>

<sup>1</sup> The clearest account of the difficult topics discussed in this chapter I know is that given in Jordan : *Essential Economics*, Chaps. VII and VIII.

## CHAPTER 15

### SOME IMPORTANT MODERN SOCIAL AND ECONOMIC PROBLEMS

**I**N previous chapters an attempt has been made to describe how our modern economic organisation has come into existence and how it works. We have seen that the application of science to production and manufacture has made it possible for the man of to-day to have many things that were denied to his ancestors. He has been enabled to draw on the whole world to supply his needs. Machinery has made possible the making of a greater quantity of goods more quickly and more cheaply. Much unnecessary human toil has been eliminated and men and women have greater leisure for recreation and rest.

Yet many think that all is not well with our economic system and that urgent changes are necessary. In this chapter we must consider some of the defects of the present system and discuss briefly some of the social and economic problems that men are trying to solve.

First, however, it is necessary to realise an important, if rather obvious, fact. People, in their thinking about social and economic affairs, fall into two classes. There are those who tend to see the best in things as they are. Though they may realise that everything is by no means perfect in this world and desire to make things better, they feel that this can best be done by proceeding slowly and cautiously. They consider that violent or too hasty change in an economic organisation which has become so intricate, and the workings of which are so difficult to understand might result in such disorganisation that the new state

of affairs would be much worse than that which exists at present. Others, however, tend to see the worst features of the present system, extreme wealth side by side with extreme poverty, unemployment, wastage of human material, inequality of opportunity, exploitation of the weak by the powerful, and feel that any change must be for the better. The first class tend to be Conservative in politics, the second Socialist or, if they believe there is no hope at all in the present system, Communist. A man's attitude may possibly depend on his circumstances. If he is comparatively well off, with pleasant, useful work to do, he is more likely to see the benefits of a system than if, as a result of it, he is without work and does not know where his next meal is coming from.

It is not the task of this book to offer solutions to our social and economic problems. All it can do is to try to state some of them as clearly as possible. Perhaps the chief one, which includes most of the others, is to find a means whereby the things which, as a result of science and machinery, are produced in so great abundance, can be got to those who need them.

The situation in recent times has been an absurd one. Things which were urgently needed by many were deliberately destroyed because those who needed them could not afford to buy them. Cotton fields and wheatfields were ploughed up in the United States, coffee was burnt in Brazil because there was no market for these goods at a price which would bring a fair return to the grower. Yet in other parts of the world there were people who could not get enough bread to eat, who had not sufficient clothing, who would willingly have used the coffee if they could have got it. It seems a mad thing to have done. Yet, as we have seen, the price of goods depends on the amount of goods available for sale and the amount of money available to buy them. If there are large quantities of goods and little money, prices will fall. Actually they had in certain cases fallen to such an extent that producers could

not get as much for their goods as it cost to produce them. So in order to raise the price they tried to limit the supply. Though by 1888 a rise in prices had somewhat eased the situation, the fundamental problem remains unsolved.

What appears to have happened is that the capacity of men to produce has advanced beyond their capacity to buy or, to put it in another way, distribution and consumption have not kept pace with production. The great problem facing the world at the present time is so to organise economic life that those who need the things produced may be able to buy them.

Industry has, moreover, in recent times, become more scientifically organised. Machinery has been vastly improved; as we have seen, one machine can now do the work which in the past required the labour of many men. The result is that, while many more goods can be made at a lower cost, fewer men are needed to make them. This process has been going on at an increasing rate for over a century, ever since the replacement of hand labour by the machine at the time of the Industrial Revolution of the eighteenth century. Provided that the labour not required in one industry can be easily transferred to another, all is well. New industries can be started; a greater variety of goods can be produced for people to buy. If it cannot be absorbed, however, unemployment results; for a proportion of the population no work is available; it must starve or be supported by the state.

The problem of unemployment, one of the great problems of the present time, is closely connected with the problem of too much production and too little consumption which has been referred to above. If men are not working, though they may receive something from the state to keep them from starvation, they cannot, since they have not sufficient money, buy freely the goods which are being produced in abundance.

Most people see how absurd the situation is. There is plenty of food, plenty of goods for everyone, yet there are

no means of getting food and goods to the people who want them. There is plenty of work to be done—slums to be cleared, new and better houses, schools, hospitals and roads to be built, electrical power stations, which would enable all to have cheap light and power, to be constructed—yet there are no means available of getting the work started to the extent that is necessary.

Moreover, if we could learn how to organise our economic life more efficiently we could not only provide work for all but even greater leisure for all. The essential work of the world can, owing to the discoveries of science and improvements in machinery and power, be done in shorter time and with less effort than ever before. If it were evenly distributed among all, everyone would need to work less and everyone would have more time for recreation, for improving bodily health, for the cultivation of the things of the mind, for all those things which make life more pleasant and happy but which are still denied to many.

Some think that our economic difficulties are due to the fact that we have not yet learnt to organise our money and credit system properly and that the introduction of a reformed money system, in which the amount of money and credit in circulation would be made to depend on the quantity of goods available to be bought and sold, would make the economic machine work more efficiently. Real wealth, they say, lies in goods, whether the goods be raw materials or manufactured articles; money is merely a convenient means of allowing goods to be exchanged between one person and another; the amount of money in circulation should be such as to make this exchange most flexible and easy.

Some, again, think that the chief defect of the present system is that it is based on the making of individual profit. Raw materials are grown, goods are manufactured only when the grower or manufacturer thinks he can thereby make a profit for himself. The amount and kind of raw

materials grown and the number and sort of articles manufactured are determined not by the needs of the community but by whether or not a profit can be made. Moreover, many who think in this way contend that the rewards of labour are unevenly distributed. The shareholders, who merely lend money and do no work at all, get too great a share of the profits of an industry as compared with the workers who do the real work. They argue that essential commodities and services should be owned not by private individuals but by the community as a whole and should be worked not for private profit but for the good of all. Some would abolish private enterprise altogether in favour of the control of economic life by the state. Others, who consider that too much state control would result in inefficiency and the destruction of initiative, consider that modern economic organisation has become so intricate that a certain amount of central control is necessary. A good deal is heard nowadays about planned production.

All these questions are very difficult and involved. It is easy to see defects; it is much harder to find the right remedies. We must, at any rate, try to realise clearly what the problems are. Only as we can see them clearly and objectively shall we eventually be able to discover the best solutions.



**PART II**  
**LAW AND ORDER:**  
**THE PRACTICE OF**  
**G O V E R N M E N T**





## CHAPTER 16.

### SOME GENERAL IDEAS ABOUT GOVERNMENT

**T**HERE are some idealists who believe that if there were no restraints everyone would be naturally good. Most people, however, regard some form of government as not only necessary but desirable, so that order may be maintained and life and property protected. They consider that government is a necessity of the good life and that its existence is a sign of man's development from barbarism to civilisation.

All states are not governed in the same way nor do all men accept the same ideals as to what is the best form of government. The greater part of this section will be taken up with a description of the particular form of government which has been evolved and which exists in Great Britain. It would be incomplete, however, if it did not tell something also of the systems which have grown up in those countries whose governments differ from our own. It would not be easily understandable if it did not first say something about government in general and about the forms government can take and have taken.

That great Greek political thinker, Aristotle, divided governments into three types: (1) *monarchies*, in which the power resided in the hands of one man, (2) *aristocracies* or *oligarchies*, in which the best or the few controlled, and (3) *democracies*, in which the whole people held the reins of government. Other thinkers have divided governments into *monarchies* and *republics*, in the first of which the head of the state succeeds by hereditary right, in the second of which he is elected by the people. They assumed that under a republic the people had greater freedom and a

greater share in government than under a monarchy. A hundred years ago this may have been true, but it is no longer so. Great Britain is a monarchy while the U.S.A. is a republic. Yet an Englishman is as free as a citizen of the U.S.A. and, moreover, the King of England has far less power than the American President.

Namcs, therefore, nowadays mean very little. If we are to discover the character of the government of any state we must examine its *constitution*. Every modern state possesses a constitution of some sort or other, that is, a set of rules which determines how government is to be carried on. Most of these constitutions are laid down by law and are contained in a definite document which anyone can buy and read. Such are the constitutions of the U.S.A., France and most other countries. They are called *written* constitutions and are different in kind from the constitution of Great Britain, which is said to be *unwritten*—though the term is not an exact one—and is not contained in any one document.

The British Constitution is a thing of gradual growth. Various laws such as the Bill of Rights, the Act of Settlement, the Habeas Corpus Act, the Parliament Act of 1911, and the series of Reform Bills of the 19th century were passed by Parliament to meet some particular need and have become part of the *constitutional law* of Great Britain. Some of the most important parts of the British Constitution are, however, not contained in laws and were never passed by a parliament at all. They are called *conventions* and are the result of custom. That ministers of the Crown must resign if they are defeated in the House of Commons, that ministers must be members of one or other of the Houses of Parliament, that the King shall always sign bills passed by both Houses of Parliament, though they are not laws but *conventions* are essential parts of the British Constitution, which no one would think of breaking unless he desired to overthrow the whole system of government under which Britain is ruled.

We have above used the words *constitutional law*. In most states constitutional law is regarded as something essentially different from *statute law*, that is, the ordinary law passed by Parliament or Congress or Chamber of Deputies and capable of being repealed by them if they wish. In Great Britain no distinction is drawn between constitutional law and statute law. If it wished, Parliament could alter the Constitution by repealing the Bill of Rights or the Act of Settlement. In most states, however, alterations or amendments to the Constitution require special procedure. In the U.S.A. an amendment to the Constitution requires a special majority vote in thirty-six out of the forty-eight states which make up the Union. In Australia an amendment can only be carried after a Referendum, that is, a vote of the whole electorate, asked to give a decision on one particular question.

A state which can amend its constitution through ordinary legislation is said to have a *flexible* constitution, when special procedure is required it is said to have a *rigid* constitution. The degree of flexibility and rigidity varies from state to state.

In speaking of an amendment to the Constitution of the U.S.A. we have spoken of "the forty-eight states which make up the Union". The United States of America, is a *federal* state, as are also, among others, Australia and Switzerland. Federations have usually been formed when it has been desirable for a number of states to join together into one political unit, while at the same time each has wished to keep for itself as much freedom to run its own local affairs as possible. The states agree to hand over a number of matters, such as relations with foreign powers, defence, currency, railway and postal services etc., which concern them as a whole, to a central authority representing the Union, while leaving other matters to the discretion and control of individual states. Federal states always have written and rigid constitutions, which lay down precisely what are the powers of the federal and state authorities respectively.

A state carries out the task of government through the *law*, that is, the power entrusted with the duty of governing makes certain rules which the members of the state must obey. It is not, however, sufficient merely to make laws, they must also be administered, they must be interpreted, they must be enforced. A government, therefore has three functions, *legislative*, that is the making of laws, *executive*, the administration of the laws, carried out through various government departments, and *judicial*, the declaring of what the laws mean, punishing those who offend against them and settling quarrels between the members of the state in the light of what the laws say. The relations between the legislative, executive and judicial powers vary in different states. In Great Britain the legislative and the executive are closely linked together, in the U.S.A they are kept distinct. In both countries the judiciary is separate from both.

In this chapter we have attempted to gather together a few essential ideas about government in general. Before we attempt to describe in detail the government of Great Britain it may be profitable to trace how government has developed from early times up to our own day. That will be the task of the next chapter.

## CHAPTER 17

### HOW GOVERNMENT HAS DEVELOPED FROM EARLY TIMES TO OUR OWN DAY

**T**O tell the story of the development of government clearly and briefly is a somewhat difficult task. Its origins are wrapped in obscurity and authorities differ about them. Nor has development been continuous. Not only have the same types of government roughly repeated themselves when similar conditions have arisen at different stages in man's history but also development has gone on speedily in some parts of the world while conditions have remained static in others. For instance, in the European continent a highly developed type of government has been evolved through the centuries while in Melanesia the most primitive kind of organisation still remains in existence.

Perhaps the most primitive form of political organisation, if indeed it can be called a political organisation at all, was the hunting pack. With, however, the transition from the hunting stage to the pastoral stage of development a much more definite form of organisation emerges, that of the tribe, based upon the family. The head of the family, the father, is the head of the tribe and the tribe is regarded as having sprung from some common ancestor and as being bound together by common kinship. Such a form of society, which is called patriarchal, is found in the story of Abraham in the Old Testament.

At this stage men were nomadic. They wandered about from place to place, seeking pasturage for their flocks and herds. The coming in of agricultural pursuits

led to men settling down and forming village communities, still perhaps under the leadership of the head of the family and linked together by the idea of common kinship. Later a new form of government emerged, that of the community ruled by the tribal king. His leadership does not appear to have been based on his position as head of the family but on his prowess in war. He was the leader in battle; he was often also a priest, one who knew the will of the gods and the ways of winning their favour; through his mouth the gods declared their will to the people. The early Greek tribes appear to have been ruled by these priest-kings.

Before the Greeks had appeared on the stage of human history, however, a more advanced form of political society had developed in two great river valleys, those of the Nile and the Tigris-Euphrates. All idea of the community being bound together by family ties and tribal kinship had disappeared. The political unit had become a much larger one; included in it were alien peoples who had been conquered and enslaved. Methods of government had been adapted to make possible the control of the much greater number of people and the more extended territories which these larger political organisations contained.

How much these early Slave Empires, as they have been called, contributed to the development of the art of government it is impossible to say. The contributions of the two later Slave Empires which succeeded them, Greece and Rome, both of which were, at an early stage of their development, ruled by tribal kings, are much more obvious. Let us consider the story of each separately.

Chiefly due to geographical reasons, Greece never reached the stage of a united nation but remained split up into a number of communities called city states, that is, small tracts of land centring round a town. Most of these city states—Athens is the best example—passed from the stage of government by kings, through government by a noble class, to government by the citizens, that is, from monarchy through aristocracy to democracy.

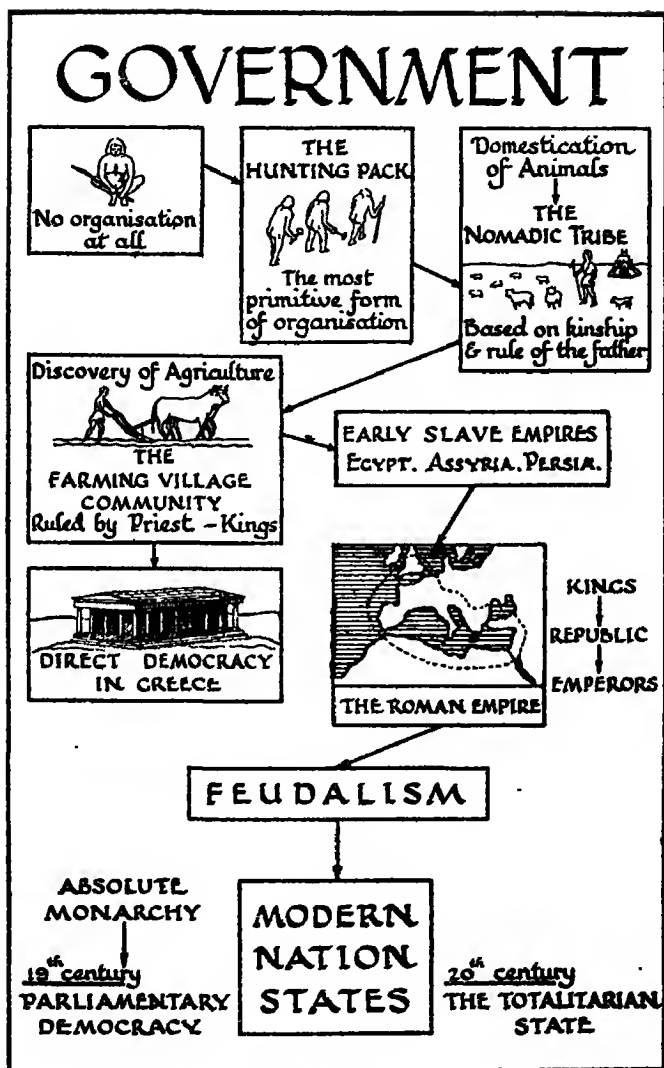


FIG. 13



The development of democracy in Athens is of particular interest and worthy of careful study. The territory of the state was small and compact. There were a large number of slaves, who had no citizen rights, available to do the manual work. Thus the ordinary citizen had sufficient free time to give to political duties. The Athenians believed that all citizens should take a direct part in government. Every citizen was allowed to attend the Assembly and to vote in person on the matters brought before it. The executive offices of the state were filled by all citizens, chosen in turn by lot, and by lot citizens were also picked to act as judges in the courts of law. The type of democratic government evolved by Athens and several other Greek states is the only example of true democracy, i.e. direct control of affairs by every citizen, which has existed.

Different geographical conditions resulted in Rome's developing a type of government different from that of Greece. Instead of remaining a compact city state Rome expanded her territories until the Roman Empire at its height embraced almost the whole known world. From rule by kings Rome passed to the form of government known as a republic. Theoretically, and to some extent in practice, all the citizens of Rome had a share in the government of this republic but the chief power lay with the Senate, the nobles of Rome. As Rome expanded, however, this aristocratic republic proved to be less and less able to rule and control the widespread territories which the soldiers of Rome had conquered. Though Julius Cæsar was murdered in 44 B.C. because his opponents thought that he was trying to restore the kingship, his nephew, Augustus, brought it back in all but name. He assumed the title of Imperator (literally, General) and for several centuries the government of the Empire was virtually in the hands of a single man, the Emperor, ruling from the capital, Rome. Thus while Rome, like Greece, passed from monarchy to aristocracy, the next stage of her political development was different. The fact that she had acquired an empire led

to power being concentrated in the hands of one person.

One must not assume, however, that there was no self-government in the Roman Empire. Rome had a genius for governing extensive and varied territories and for making those under her rule contented and happy. While the general administration of the empire was centred in Rome a system of municipal government, which allowed a large measure of local control to the cities of the empire, was developed.

With the collapse of the Roman Empire and the invasions in the fourth and fifth centuries of the Christian era of the Teutonic tribes from what is now Germany, Europe entered on a new stage, that of feudalism. Feudalism developed out of the conditions of the times. Central authority had disappeared; to each locality was left the task of organising its affairs as best it could. The local chief was the only person who could ensure any sort of ordered life. In return for protection and land men, therefore, entered into certain obligations with these local chiefs, the most important of which was to serve under him in war. As time went on these feudal units were linked up by the rise of strong kings into larger units; eventually the national states we know to-day came into existence.

By the middle of the fifteenth century several of these new national states had taken definite form. The usual type of government which grew up as the feudal state and developed into the national state was that of absolute monarchy. The king was all powerful, supreme over nobles and commons alike. Except in England, where political growth was different from that of the rest of Europe, the parliaments which had grown up during the feudal period disappeared.

Parliaments were, however, destined to return. Throughout the Middle Ages towns had increased and the merchants and traders, the class we call the middle class, had, owing to their wealth, increased in influence. As its power and importance continued to grow during modern times, this

middle class began to demand a share in government. The beginnings of the attack on the power of king and aristocracy opened in Europe at the end of the eighteenth century with the French Revolution and, during the nineteenth century, democracy spread until, by the end of the century, most European countries had adopted a form of government in which, through their representatives in a parliament, the people as a whole were the supreme power in the state. Even when the kingship was retained, the power of the monarch was, to a greater or lesser extent, limited.

At the end of the World War of 1914-18 it was generally thought that democracy would be the type of government which all states would in the future adopt. Owing, however, to the disorganisation and distress which followed the War, existing democracies were overthrown and in several countries dictatorships, either of one man or of a party, were set up. Even in those countries which have still retained a democratic form of government its character is slowly changing. Whether or not we are entering on a new stage in the development of government and what that stage will be it is impossible to say.

The development of government in our own country has differed, and probably will continue to differ, from that of other nations of the continent of Europe. It will be our task in the next chapter to attempt to trace its development.

## CHAPTER 18

### HOW THE ENGLISH PARLIAMENT INCREASED IN POWER

**T**HE sovereign power in England is Parliament, or to be more exact, King in Parliament. Though the King still plays a very useful part in the working of the British Constitution, the real authority is Parliament. England is the oldest parliamentary government in the world. It has had a parliament in something like its present form for over six hundred years, during which time its power has been continually increased at the expense of the monarch until now it is the supreme authority in the land. Originally, as its name, the High Court of Parliament, indicates, it was a judicial body. Even now the House of Lords is the supreme court in the land. Only gradually has it taken on legislative and executive functions.

Its real history begins with the summoning, by Edward I in 1295, of the Model Parliament. Edward I wanted money for his Welsh and Scottish wars and he conceived the not entirely original idea—it had been thought of by Simon de Montfort some years before—of summoning to Westminster the great barons of the realm, both lay and church, representatives of the lesser clergy and two knights from each shire, two citizens from each city and two burgesses from each borough to advise him and to vote him the money he needed. Later the clergy separated and met in a parliament of their own, called Convocation. The barons, knights, citizens and burgesses continued to be summoned by the king and their meeting developed into our modern Parliament with its two houses, the House of Lords and the House of Commons.

These early parliaments were neither popular nor powerful. It was an onerous task to make the journey to Westminster along the bad roads of the time and to be compelled to vote money to the king. There is a story of two knights of Lincolnshire who, when they were summoned to attend Parliament, fled the country and were outlawed. Nor had Parliament any power to make laws or control the king's policy; it was at this stage of its existence merely an advisory body.

One source of power it had, however, the power of refusing to vote money, and gradually it learnt to use this power. It is soon found making bargains with the king by offering to vote him the taxes he asked for in return for the redress of grievances. At first the manner in which grievances were redressed was left to the King's discretion; in time, however, the custom developed of Parliament's expressing its desires in the form of *bills*, which it presented to the King for his approval. The king might accept a bill, in which case it became part of the law of the land; he could, however, if he wished, refuse to sanction it by imposing his *veto* (I forbid).

Parliament played a part in the overthrow of Richard II and the bringing in of the Lancastrian, Henry IV. During the reigns of the Lancastrian kings its power was much increased. During the Wars of the Roses, however, since it was not strong enough to control the rival barons, it declined and its fate might have been that of similar institutions in Spain and France, where parliaments disappeared altogether, had not the Tudor kings decided to keep it in existence as one of the chief instruments of their policy.

The use that Henry VII, Henry VIII and Elizabeth made of Parliament was a deciding factor in its development. They used it for two purposes, firstly as a means of finding out what the people of England thought, that is as a consultative body, and, secondly, as a means of giving a popular character to their rule by putting their wishes

# PARLIAMENT

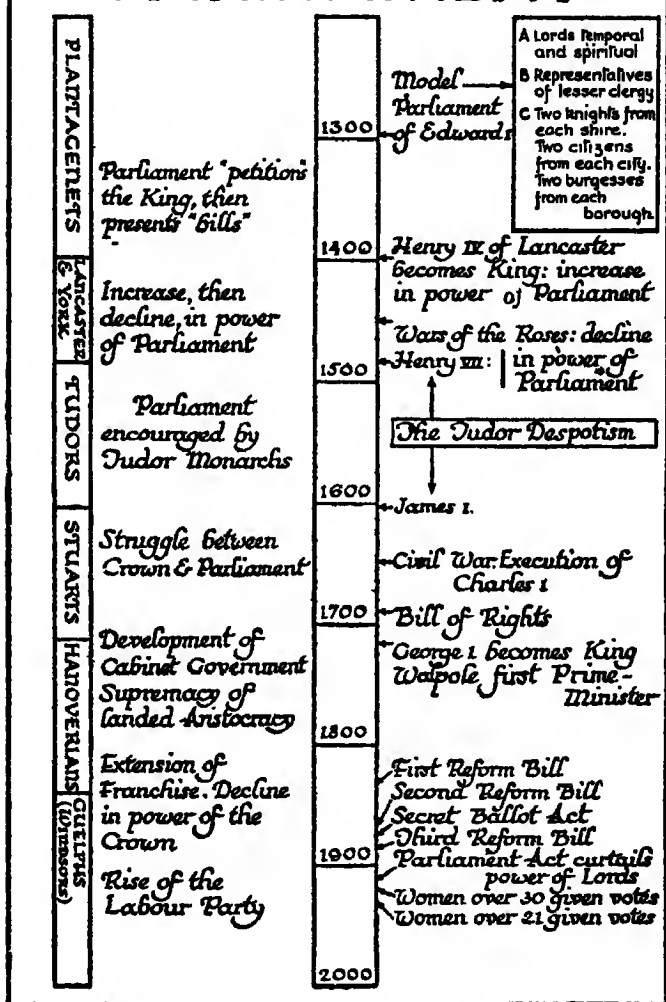


FIG. 14

before it and allowing it to express them in the form of laws. Though they did not allow Parliament to become too powerful nor to talk too much—Elizabeth told it that the only thing it was allowed to do was to say, “Aye Aye” or “Nay Nay”—nor to interfere with the King’s appointment of ministers, they increased its dignity and prerogatives.

Thus when the House of Stuart ascended the English throne in 1603, in the person of James I, Parliament was sufficiently strong to resist the claims of the Stuart Kings to rule by divine right and to act independently of its wishes.

As a result of these claims the relations between Crown and Parliament became more and more strained until, in 1642, war broke out. Parliament was victorious and, in 1649, Charles I paid on the scaffold the penalty of resisting it. For eleven years there was no king in England, but the rule of the Protector, Oliver Cromwell, was so unpopular that, in 1660, the monarchy was again restored.

Parliament was now in a much stronger position. It had shown its power and Charles II took good care not to act as his father had done. His brother, James II, was not so wise and, though he did not lose his head, he was driven from the country. Parliament chose as his successor the Stadtholder of Holland, William of Orange, but before he was allowed to ascend the throne he was obliged, in 1689, to sign the Bill of Rights, in which the limitations of the royal power and the rights of Parliament were clearly stated.

The year 1689 marks the victory of Parliament over the Crown and its authority was still more increased when, twenty-five years later, by an Act of Succession which Parliament had passed in 1702, George I, a Hanoverian who could speak no English and was not interested in English affairs, became king. One party in England, the Tories, had wished to make the son of James II king but had been beaten by the Whigs, who supported George I. George I left the government of England to the Whig party

in Parliament and under the Whig leader, Sir Robert Walpole, some of the most important characteristics of British parliamentary government were developed. Though he never assumed the title—and indeed the title had no legal existence until 1905—he was the first Prime Minister. Under him the system of Cabinet Government i.e. rule by ministers drawn from the predominant party in the House of Commons, working as a unanimous body under the Prime Minister, developed. Under Walpole, too, the custom that if the Government was defeated in the House of Commons it must resign office was established. By this time Parliament had gained control of most affairs of state, and such conventions as those by which the Ministers of the Crown must be chosen from members of one or other of the two Houses of Parliament and that the King might not veto a Government bill were becoming fixed.

Though George III tried unsuccessfully to restore the power of the Crown, from the time of Walpole the authority of the King declined and that of Parliament increased.

Though in the 18th century Parliament became supreme, it must not be thought that power had gone to the people of England as a whole. It had passed, not from the king to the people but from the king to the great landowning aristocracy, which controlled the majority of the seats in the House of Commons. During several centuries, however, the middle class, the merchants and professional men, had been becoming more and more important. The Industrial Revolution, which began in the middle of the eighteenth century, increased their wealth and influence. They demanded that they should have a larger share in government until, in 1832, in spite of the opposition of the House of Lords, Parliament passed the First Reform Bill, which not only gave the franchise, that is the right to vote for a member of Parliament, to the middle and upper working classes but also reapportioned the seats in the House of Commons so that the new industrial towns might be properly represented.



Two more Reform Bills, the Second Reform Bill of 1867 and the Third Reform Bill of 1884, widened the franchise by giving the vote to the lower working classes in the towns and the agricultural workers respectively. In 1872 the Secret Ballot Act introduced secret voting and so made it easier for men to vote for the candidate they wished without fear of being penalised if they opposed the candidate whom their employers wished to be elected.

Though the Reform Bills gave all men, rich and poor alike, the right to vote they did not enable the poor man to become a Member of Parliament. Though the law that a Member of Parliament must possess property in land, worth, for a knight £600 a year, for a burgess £300 a year, was repealed in 1858, he had to pay his own expenses, which were considerable. Thus only the comparatively rich could afford to seek election.

Towards the end of the 19th century an increasing desire arose among the working classes to have men of their own class to represent them in Parliament. The first Labour members were financed by the Trade Unions. There were very few of them and their presence at Westminster was regarded as strange. Their numbers, partly owing to the introduction, in 1911, of the system of paying Members of Parliament for their services, gradually increased. In 1903 there were two Labour M.P.s in Parliament, in 1923, 191 and in 1929, 287. In 1923 the first Labour Ministry took office under the Premiership of Mr. Ramsay Macdonald.

Greater power was given to the people's representatives when, in 1911, a Parliament Act was passed which curtailed the power of the House of Lords. The House of Lords is not elective but hereditary and is from its very nature more conservative than the House of Commons. Since before 1911 the consent of the House of Lords was necessary before a bill could be sent to the King, it could hold up any measure passed by the House of Commons which it did not like. By the Parliament Act of 1911 it was laid

down that if a bill were passed in three successive sessions of the House of Commons it could go straight to the King for signature without the consent of the House of Lords.

The 19th century Reform Bills gave the vote to men only. In the early 20th century a number of women began to agitate for the right to vote to be given to women as well as men. Though a good many approved of such action, the movement was strongly resisted and it was not until the end of the Great War, in which women had proved they could take the place of men, that the Parliament Act of 1918 gave the vote to women over thirty. By another Act of 1928 men and women were made equal and now all persons over twenty-one, except peers, criminals and lunatics, have the right to a share in electing a representative to serve in Parliament.

The English Parliamentary system is the result of six centuries of development and it is firmly rooted in the life of the British people. Though it may change to meet altered conditions, there is no reason to suppose that it will not survive those attacks on the democratic form of government which started after the Great War and which will be described later in this section.

## CHAPTER 19

### HOW MEMBERS OF PARLIAMENT ARE ELECTED

ENGLAND is a democratic country, that is, it has a form of government in which all adult citizens have a share. Athens, one of the most important cities of ancient Greece, was also a democracy. To its Assembly came all the citizens and each of them had the right of voting in person on the measures brought before them. Athens was, however, a tiny city and it was easy for the small number of citizens to gather together in one place and carry out the functions of government. In a modern democracy like our own such a course would be impossible.

The citizens of the British Isles, therefore, elect *representatives* to govern for them. The country is divided up into *constituencies*, the majority of which are of about 50,000 people, and each of these constituencies sends a member to Parliament. Some constituencies which are particularly large send two members. There are 587 constituencies in Great Britain, sending between them 615 members to Parliament.

It would be more correct to say that constituencies send members to the House of Commons, for there are two Houses of Parliament, the House of Commons and the House of Lords. The House of Lords, however, is not elective. It consists of hereditary peers, peers created by the King and twenty-six spiritual peers, namely the Archbishops of Canterbury and York, the Bishops of Winchester, London and Durham and twenty-one other senior bishops, rather over seven hundred members in all. Though it is

of less importance and has less power than the House of Commons, it plays a very substantial part in the working of the British Constitution. It revises legislation, it can hold up measures, with the exception of Money Bills, for a certain length of time by its "suspensive veto" and it relieves the House of Commons of a good deal of detailed work. A Committee of the House of Lords, the Law Lords, is, moreover, the supreme Court of Appeal.

The people of Great Britain have an opportunity of electing members of Parliament at least every five years. A parliament may be dissolved before its five years are completed, it may not by law continue to sit for a longer period without a *general election*. If a Member of Parliament dies or retires or is made a peer a *by-election* is held so that another member may be elected.

When a general election takes place there is great excitement throughout the country. The first step taken is the nomination of the candidates, who wish to offer themselves for election in the various constituencies. Anyone may seek nomination as a candidate, but since each candidate must deposit £150, which will be forfeit if he fails to gain one-eighth of the votes cast, unless he is certain of gaining some measure of support, a man would hesitate to put himself forward. Most candidates are the nominees of one of the three main political parties, Conservative, Liberal and Labour. The general election is, therefore, a struggle between these three parties to decide which one of them shall gain a majority in the House of Commons and so become His Majesty's Government.

Each party issues its programme, that is, it tells the electors the policy it stands for and what it will do if it is returned to power. Each candidate, too, issues his own personal election address, in which he tries to persuade the voters in his own constituency that he is the best man to represent them. All the candidates organise meetings and rush up and down their constituencies making speeches, canvassers go from door to door trying to persuade people

to vote for the candidate for whom they are working. At length polling day arrives, on which, by secret ballot, each elector may vote for the candidate he favours.

The method of voting is very simple. On a slip of paper the names of the candidates contesting the constituency are printed. All the voter has to do is to put a cross against the name of the candidate he wishes to be elected and place the slip in a box. Precautions are taken to prevent


COUNTERFOIL NO. <b>259</b>		1	<b>BROWN</b> (JOHN BROWN, OF GEORGE STREET, BRISTOL, MERCHANT.)	
		2	<b>JONES</b> (WILLIAM DAVID JONES, OF HIGH ELMS, WILTS, ESQ.)	
		3	<b>MERTON</b> (HON. GEORGE TRAVIS, COMMONLY CALLED VISCOUNT MERTON, OF SWANWORTH, BERKS.)	
		4	<b>SMITH</b> (HENRY SIDNEY SMITH, OF HIGH STREET, BATH, ATTORNEY.)	

FIG. 15—A BALLOT PAPER

The number on the counterfoil is also printed on the back of the ballot paper.

any elector voting more than once. When all the voting has taken place the votes are counted and the candidate who has been given the greatest number of votes is declared elected.

The party which, as a result of the election, has secured the largest number of seats in the House of Commons is called upon to provide the Government. According to constitutional custom, the King, who belongs to no party, sends for the leader of this party and asks him to *form a Government*. He in his turn consults with his colleagues and submits to the King the names of those members of his party in both Houses whom he considers

ought to be made the heads of the Government Departments and form the Cabinet under himself as Prime Minister. Though the Prime Minister really chooses his Cabinet himself, since the members of the Cabinet are the King's ministers, they receive their appointments from the King. The party which has failed to gain a majority becomes the Opposition, strangely called His Majesty's Opposition, and its task is to criticise the actions of and measures put forward by the Government.

The party system has been in existence in Great Britain for over two centuries and on the whole has resulted in a stable and efficient form of government. For the greater part of that time there have been only two parties, originally called Tories and Whigs, later Conservatives and Liberals. When there are only two parties there can be no doubt as to which is the Government and which the Opposition. With the advent of the Labour Party there are now three parties in Great Britain and the working of the party system has become more complicated. It may happen that in a general election no one party is able to secure a clear majority, in which case the Government can never be certain that it may not at any time be defeated by a combination of the other two. During the financial crisis of 1931, a coalition National Government, consisting of the Conservatives and a number of Liberal and Labour members who were willing to join a National Government, was elected and continued in existence after the general election of 1935. Opposed to the National Government is the official Labour Party, allied with those Liberals who do not agree with the policy of the National Government.

Thus we see that the candidate who gains the greatest number of votes represents a constituency, while the party which gains the greatest number of seats forms the Government. This system is called majority rule. Its defect is that it may work unfairly for the minority, which may be a large section of the nation. It is possible also under this system for the majority-party, as some recent elections

have shown, to secure a number of seats in the House of Commons out of all proportion to the number of electors who have voted for it. It is even possible, though perhaps less likely, for the party representing a minority of the electors to secure a majority in Parliament.

How this latter may happen can be shown by studying the votes cast in four constituencies which we shall call A, B, C and D. In A and C there were Conservative, Liberal and Labour candidates, in B and D there was a straight fight between Conservative and Labour.

CONSTITUENCY A.		CONSTITUENCY C.	
Conservative	11,380	Conservative	12,863
Liberal	9,642	Liberal	11,645
Labour	10,986	Labour	9,892
<i>Conservative win</i>		<i>Conservative win</i>	
CONSTITUENCY B.		CONSTITUENCY D.	
Conservative	12,428	Conservative	15,347
Labour	20,323	Labour	8,892
<i>Labour win</i>		<i>Conservative win</i>	

An examination of these figures shows that of the 123,398 votes cast the Conservatives secured 51,998, Labour 50,098 and Liberals 21,287. Though in two constituencies, A and C, the Conservatives did not secure a majority of the total votes cast, yet they won both seats; though their total votes were less than the total combined votes of Liberal and Labour, yet they secured three out of the four seats; and though they gained less than two thousand votes more than Labour they gained three seats to Labour's one. The Liberals who polled 21,287 votes secured no representation at all.

In order to avoid such possibilities and to try to secure fairer representation, some people advocate what is known as *proportional representation*. The methods by which this system is worked are somewhat complicated. Its main characteristic is that, instead of voting for one candidate

only, the elector numbers the candidates in his order of preference. Though proportional representation would result, especially when there is a three cornered election, in some seats being apportioned more fairly, its complications have prevented its securing much support. It would not, moreover, get over the difficulty that, so long as voting is by constituencies, there is always a chance that the total number of seats held by a party in the House of Commons may not represent the total votes cast for that party throughout the whole country.

Under the English system a Member of Parliament represents an area, in which live all sorts of people, butchers, bakers, candlestick-makers, lawyers, teachers, doctors. Some object that this is a bad method of representation, that the important thing about a man is not where he lives, but what he does and how he earns his living. Some would wish, therefore, to replace this territorial method of representation by what is called *functional* representation. Indeed, some countries, notably Italy, have adopted this method. In Italy electors have been grouped into corporations according to their occupations and the representative represents not an area but a corporation. States which have adopted this system are called *corporative* states.

We have seen how a Member of Parliament is elected. In the next chapter we must see what happens when he gets to Parliament.



## CHAPTER 20

### THE MAKING OF LAWS AND THE WORK OF LAW COURTS

**W**HILE one of the chief functions of Parliament is the making of laws, not all the laws by which we are governed have been made by Parliament. In England there are two kinds of law, *Common Law* and *Statute Law*. *Common Law* consists of the old customs of the country, dating back to early times, and the laws which have come into existence through the decisions given by judges in the law courts. *Common Law* is just as binding as *Statute Law*, embodied in bills passed by Parliament.

Before a bill can become law it must, unless it be a money bill, be agreed to by the House of Commons, the House of Lords and the King. A money bill, that is a bill which involves taxation of some sort, does not require the consent of the House of Lords before it is sent to the King for his approval. The House of Commons, arguing that they alone represent the people of England, has for hundreds of years claimed that the House of Lords has no jurisdiction in money matters. By the Parliament Act of 1911, which has been referred to in a previous chapter, this claim was given legal force.

The part played by the King in sanctioning bills is purely formal; in practice he always agrees to bills which have been passed by Parliament. Up to the time of Queen Anne, however, it was not uncommon for the sovereign to veto a bill presented for his approval. The reason why the king does not now do so is not difficult to understand. Though a number of private bills are passed by the House of Commons, all important bills are introduced by His

Majesty's Government, that is by the King's own Ministers. For the King to reject such bills would be the equivalent of rejecting the advice of his ministers, who would then be forced to resign. Moreover, since Parliament represents the people of England, for the King to refuse assent to a bill passed by Parliament would be to oppose the wishes of the nation, a thing which the sovereign of a democratic state would neither dare nor wish to do, except in very exceptional circumstances.

Two sorts of bills are dealt with by Parliament, public bills and private bills. Public bills affect the nation as a whole; private bills, as for instance the granting of permission to a group of people to construct a railway or for a borough council to carry out a building scheme in its own district, affect some particular group or locality only.

Before a bill is finally passed it has to go through five stages in each House of Parliament. The first stage, which, since the bill has been printed for all who wish to read and study, is a mere formality, is called the First Reading. After the First Reading the debate on the bill, known as the Second Reading, takes place. If the bill is passed on its Second Reading it enters on the Committee Stage, that is, it is discussed clause by clause either by a Committee of the whole House, or by one of the smaller Committees, known as Standing or Select Committees. If the bill is discussed by a Committee of the whole House of Commons the Speaker, who normally presides over sittings of the House, vacates his chair and the Chairman of Committees takes his place. After the Committee stage comes the Report stage, when the bill is once more debated in the House of Commons, and this again is followed by the Third Reading. If the bill has successfully gone through all these five stages it is sent to the House of Lords, where the same procedure is carried out.

The House of Lords may amend a bill. If it does so, the bill is returned to the House of Commons, which may or may not accept the amendments suggested by the Lords.

If it accepts them the bill then goes forward for the King's approval. If, however, the House of Commons refuses to accept the amendments, the bill goes back to the House of Lords with the amendments to which the Commons object struck out. Should the House of Lords insist on keeping the amendments the bill is lost for that session. It may be reintroduced the following session and, if the Commons pass it for three successive sessions, it may, by the Parliament Act of 1911, become law without the consent of the Lords.

Laws are administered through the various Government Departments, which will be described in a later chapter, and interpreted and enforced in the courts of law.

The supremacy of law is one of the main characteristics of the British Constitution. In some countries officials are not answerable for their conduct before the ordinary courts; in Britain everyone from the Prime Minister to the poorest tramp may be called upon to appear before a court of law if he has done anything which is considered legally wrong. British courts pride themselves on their scrupulous fairness and freedom from outside influence. At one time it was possible to dismiss a judge if he gave a decision which the Government did not like. James I did actually dismiss Lord Chief Justice Coke because he refused to give the legal decision the king desired. It was only after a long struggle that the judges won the freedom they now possess. In 1701 it was laid down that a judge could not be dismissed except by an address from both Houses of Parliament. Moreover, no one can be arrested except by a warrant issued by a magistrate, stating the cause of arrest, while the Act of Habeas Corpus, passed in 1678, prevents anyone being left in prison without being brought up for open trial.

Nor can a man be convicted of a serious crime by a judge alone. The decision as to whether he is guilty or not guilty of the offence of which he is accused is given by a jury of twelve ordinary citizens. While the judge, with his

# THE MAKING OF LAWS

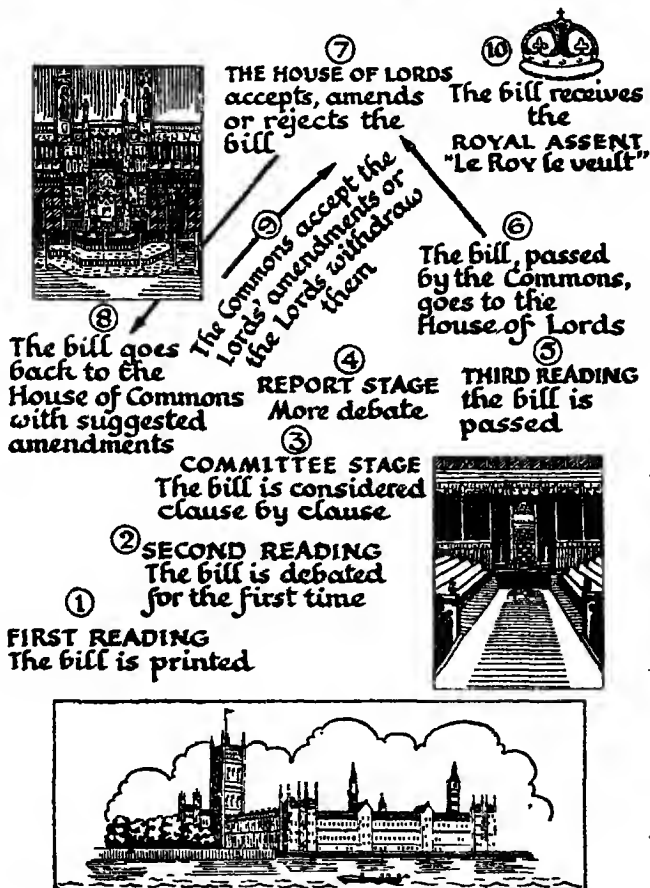


FIG. 16

A bill goes through the same five stages in the House of Lords as in the House of Commons.

superior knowledge of the law, may assist the members of the jury, the actual decision is given by them.

Justice in England is administered in several sorts of courts. The smallest and simplest is the Court of Petty Sessions. This is a local court meeting frequently and presided over by two or more magistrates. Except for the so-called stipendiary magistrates, found only in London and large cities where there is a good deal of business, magistrates are unpaid. The Court of Petty Sessions can itself deal only with small offences; it must pass on graver offences brought before it to higher courts, such as the Quarter Sessions or the Assizes. Quarter Sessions are presided over by county magistrates, assisted by a jury, and try such prisoners as are committed for trial before them.

Perhaps the most important court of law is that of the Assizes, which deals with more serious breaches of the law. The Assizes, which are held in various places throughout the country at least twice a year for civil cases and four times a year for criminal cases, are conducted by two judges of the King's Bench, assisted by a jury.

Another important court, which deals only with civil cases, is the County Court. This court is presided over by a County Court Judge, without a jury, and deals with such things as the recovery of debts, bankruptcy and quarrels between individuals. Both the Judges of the King's Bench and of the County Courts are appointed by the Lord Chancellor.

There are other courts dealing with special matters, such as the Court of Chancery and the Divorce Court, while a case can, if it is felt that the decision given in a lower court is a wrong one, be taken to the Court of Appeal and even to the House of Lords, the supreme court of the land. A special Court of Appeal called the Judicial Committee of the Privy Council deals with appeals from courts all over the British Empire.

We have written above of two sorts of cases, civil cases

and criminal cases. Courts of law have two objects, to settle quarrels between individuals on such matters as money, land etc. and to try, and if necessary punish, those who have broken the law. The first class of cases are called *civil* cases, the second *criminal* cases.

Any breach of the law is a crime but all crimes are not of equal magnitude. It is a crime to get drunk and act in a disorderly manner or to drive a motor car at a speed of more than 30 miles an hour in a built-up area. These are, however, not serious crimes. They are called *petty offences* and may be dealt with in a magistrates' court. More serious crimes are usually divided into three classes, *treason*, such as attempting to overthrow the government by force, *felonies*, such as murder and burglary, and *misdemeanours*, such as fraud, assaulting a person or perjury. These crimes involve severe penalties and can only be tried in one of the higher courts.

The work carried out by civil courts is of great importance. In early times the only way a person could secure redress against someone who he thought had wronged him was by force. If he were weak, he could get no redress at all. Nowadays he can obtain redress by bringing a civil action, that is, by summoning his opponent to appear before a court of law in order that the case may be fairly tried and a decision reached in the light of what the law lays down.

For instance, if a man finds that one of his neighbours has been making malicious statements about him he may bring an action for slander. If it is proved that these malicious statements have been made, the court may give him satisfaction by awarding damages, that is, by ordering the person guilty of the slander to pay him a sum of money. Or again, if a firm discovers that another firm is infringing its patent, it may bring a civil action to restrain the firm in question from continuing to infringe the patent. Or again, if a man is injured owing to negligence on the part of some other person or some corporate body, he may bring an action

to compel that person or body to pay him compensation for the injury he has received.

The fact that sometimes courts of law have given what appear to be unfair and hard decisions and that the law is sometimes very complicated and difficult for the non-expert to understand has led to a certain amount of criticism of our legal system. On the whole, however, it is a very fine one. It is a point of honour with judges to be scrupulously fair. It is a principle that a prisoner is innocent until he is proved guilty, not, as in some countries, guilty until he can prove himself innocent. Criminals are sometimes allowed to go free if, though it is almost certain they are guilty, there is some degree of doubt. Moreover, while sometimes the law is cumbrous and out of date, it can always be changed, if sufficient people desire it to be changed, through the machinery of Parliament.

## CHAPTER 21

### HOW THE LAWS ARE ADMINISTERED

**I**N our last chapter we described how two functions of government, the legislative and judicial, are worked in this country. In this chapter we shall tell how the third function, the executive, that is the administration of the laws, is carried out.

The administration of the laws requires a very large number of people; the more the laws, the more the state interferes with and controls the life of its citizens, the greater the number of officials of all sorts that is required. In recent times the state has taken on far more duties than it once did. It looks after the health of its citizens, it cares for them when they are old or unemployed, it provides schools for their children, it supervises roads and makes regulations for their safety, it controls conditions in factories, it is responsible for telegraph and telephone services and for the delivery of letters and parcels. There are many other things it does, too numerous to mention. To carry out all these duties and provide all these services the state has to pay thousands of men and women, some but not all of whom are civil servants, from inspectors, doctors, prison warders, policemen, post-masters, engineers and teachers down to telegraph boys and dustmen, as well as large administrative and clerical staffs which are necessary to run the great government offices. Some of these duties and services are carried out by the Central Government, but some, as we shall see in a later chapter, are delegated to the counties and boroughs, which are responsible for



# ADMINISTRATION

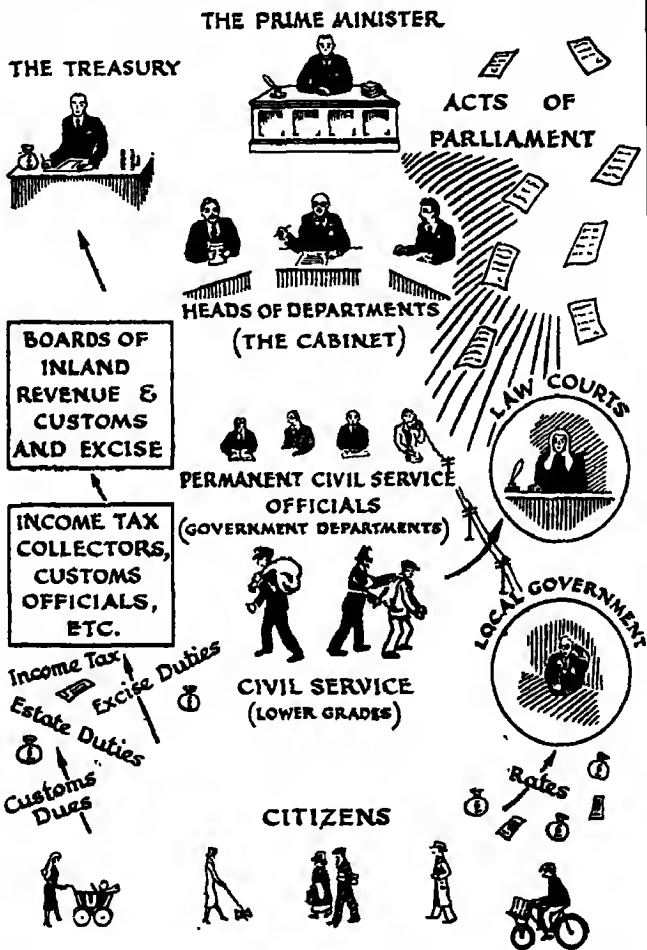


FIG. 17

certain duties and services in their own localities. In order to carry out this great mass of administration there exist a number of Government Departments, and at the head of each is a Member of Parliament belonging to the party in power. The heads of most of these Departments, of which there are about twenty, are Cabinet Ministers.

At first sight this method of administration may seem an unsatisfactory one, for, as we have seen, governments change and it may happen that when a Cabinet Minister has really got to know the work of his Department his party may be defeated in a general election and another man belonging to another party take his place. The civil servants, who manage the everyday business of the Department do not, however, change when the government changes. A new minister will thus find a staff of highly competent permanent officials ready to assist him in carrying out his duties, while the fact that the head of the Department is a man or woman chosen by the people ensures that the people have some control over the administration of the laws made by their representatives.

We have already seen how the Prime Minister chooses the ministers who make up the Cabinet and submits their names to the King for his approval. Cabinet Government is a particular feature of the British Constitution and the story of its growth is an interesting one.

Originally the King not only ruled in his own person, but was also responsible for paying those who assisted him in administering the law, keeping order and carrying out the various functions of government. For instance, out of his own income he paid the salaries of ministers, judges and officials; he even paid for the upkeep of the fleet. Certain revenues came to the King from the lands owned by the Crown and from various feudal payments. If he wanted more money he had to ask Parliament for what were called "aids" or "subsidies". To make up his Privy Council he chose such ministers as he wished; over his choice Parliament had no control nor were the King's Minis-

# GOVERNMENT DEPARTMENTS

Department	Minister	Duties of Department
Treasury Board of Inland Revenue and Board of Customs and Excise Home Office	Chancellor of the Exchequer  No minister  Secretary of State for Home Affairs	Public revenue and expenditure  Collection of taxes and customs and excise dues  Maintenance of peace and order; police and prisons. Conditions of work in factories
Foreign Office  Dominions Office	Secretary of State for Foreign Affairs  Secretary of State for Dominion Affairs	Relations with other countries and with the League of Nations  Relations with the self-governing Dominions of the British Com- monwealth
Colonial Office  India Office War Office Admiralty	Secretary of State for the Colonies  Secretary of State for India  Secretary of State for War The First Lord of the Admiralty	Relations with Crown Colonies  Affairs of the Indian Empire The Army The Navy
Air Ministry Board of Trade	Secretary of State for Air  President of the Board of Trade	The Air Force. Civil flying Safety at sea, lighthouses, etc. Mines. Assistance to trade by publication of information, i.e. B. of T. returns

Department	Minister	Duties of Department
Ministry of Agriculture and Fisheries	Minister of Agriculture and Fisheries	Matters connected with food supply, farming and fishing
Ministry of Transport	Minister of Transport	Railways and other forms of transport. Roads etc.
Post Office	Postmaster General	Postal, telegraph and telephone services.. B.B.C.
Ministry of Labour	Minister of Labour	Labour disputes. Labour Exchange. Unemployment insurance
Ministry of Health	Minister of Health	Health services. Old Age Pensions. Town and regional planning. Local government
Board of Education	President of the Board of Education	Educational services
Ministry of Pensions	Minister of Pensions	War Pensions
Office of Works	First Commissioner of Works	Care of Government Property
Scottish Office	Secretary of State for Scotland	Scottish Affairs. There are a number of other offices dealing with Scottish affairs, such as agriculture, fisheries, education, health, etc.

ters either members of Parliament or responsible to it. If the King ran short of money and had to appeal to Parliament for a subsidy, Parliament might bring pressure to bear on him to compel him to do what it wanted. If, however, the King was able to carry on without appealing to Parliament for money he might pursue a policy of which Parliament disapproved. One of the powers Parliament claimed during its great struggle with the King in the 17th century, the struggle which led to the Civil War and the execution of Charles I, was its right to control the King's choice of ministers. Though it won the Civil War, it failed, as a result of it, immediately to gain this right. Charles II chose his advisers independently of Parliament. In the following century, however, a happy accident which brought to the throne of England, in the person of George I, a German who was dependent for his position on the Whig party in Parliament, led to the development of that system of Cabinet Government which we know to-day, in which the Ministers of the Crown are drawn from and are responsible to Parliament.

The growth of Cabinet Government was to a great extent due to George I's minister, Sir Robert Walpole, though he never took the title, the first Prime Minister. During Walpole's tenure of office, from 1721 to 1742, the main features of Cabinet Government—that the Cabinet is responsible to Parliament, that if its policy is rejected by Parliament it must resign and that it has collective responsibility, i.e. that a Cabinet Minister who cannot see eye to eye with his colleagues must cease to be a member of the Cabinet—were developed.

Walpole's Cabinet was a very small one. It consisted of only five persons, the First Lord of the Treasury, the Lord Chancellor, the Lord President of the Council and two Secretaries of State, one for Northern, the other for Southern Europe. In 1936 the Cabinet numbered twenty-two, the Prime Minister, the Lord President of the Council, the Lord Privy Seal, the Lord Chancellor, the Minister for the

Co-ordination of Defence and seventeen Heads of Government Departments.

The duties of the various Government Departments and the Ministers responsible for each are shown in the table on pages 116-117.

To sum up, it will be clear from what has been written above that in Great Britain the legislative and the executive are closely linked together. Legislation originates in the Cabinet, which is responsible to Parliament, and the administration of the laws, which are passed by Parliament, is carried out by members of the Cabinet, assisted by a permanent Civil Service. The existence of a Civil Service, independent of politics, ensures efficiency and continuity, while the fact that the Heads of Departments are the elected representatives of the people prevents the administration of the laws falling too much into the hands of permanent officials and guarantees to the people as a whole a share not only in the making of the laws but also a check on the way they are carried out.

All this vast amount of administration costs a great deal of money. In our next chapter we must see how this money is raised.

## CHAPTER 22

### HOW GOVERNMENT IS PAID FOR

ONE of the most important of the Government Departments is the Treasury, the duty of which is to look after the national income and expenditure. At the head of the Treasury is the Chancellor of the Exchequer. Each year he presents to Parliament for its approval his estimate of how much it is going to cost to run the government of the country for the coming year and how he proposes to raise the money. These proposals, called the Budget, must receive the approval of the House of Commons but, since they deal with money, need not be approved by the House of Lords.

Before the Chancellor of the Exchequer is able to estimate how much money he will need he must first consult the various Government Departments and find out how much each considers it requires. These departmental estimates are examined by the officials of the Treasury, who also have to work out how much income may be expected to come in from existing taxes and whether or not new taxes will have to be levied to get sufficient money to meet the nation's probable needs.

Most of the money the Treasury receives comes from taxes of various sorts. There are two kinds of taxes, direct taxes and indirect taxes.

Direct taxes are those which are charged to each citizen directly. The most important of these is Income Tax, the tax which is payable by everyone whose annual income is beyond a certain sum and which is graded according to the amount of income each receives. Those who have

only small incomes pay either nothing at all or only a small amount of tax; those who have large incomes are obliged to pay over a large proportion of their incomes to the state. Other direct taxes are estate duties, chargeable on the value of property when a person dies, stamp duties and duties on motor vehicles.

Indirect taxes are those which are levied on the citizens of a state through their having to pay more than they would otherwise have to do for goods which have been taxed before they reach them. Such taxes are those charged on certain goods coming into the country. These are known as Customs Dues and are levied on tea, sugar, tobacco, wine, spirits and oil, thus increasing their retail price to the consumer. Since 1932, when Great Britain abandoned Free Trade, customs duties have been charged on numerous other articles. Another kind of indirect taxation is that of Excise Duties which are levied inside the country. Such are the taxes on beer and spirits, on the price of admission to entertainments, on patent medicines and matches. The Excise department also deals with certain direct taxes, such as licences for selling liquor, acting as auctioneers, estate agents, pawnbrokers etc., keeping a dog or possessing a gun. All these taxes are collected by the Central Government.

Other taxes, called rates, are levied by local authorities on people living in their areas and are used to carry out those duties falling to local authorities which will be described in a later chapter.

The Chancellor of the Exchequer has not only to provide sufficient money to meet the current expenses of the coming year, he has also to raise a large sum annually to pay the interest on the National Debt. When extraordinary expenditure has to be met, as during a war, sufficient money would not be forthcoming through ordinary taxation. The Government, therefore, borrows both from its own citizens and from other countries, paying a fixed rate of interest on its loans. Indeed the Government is always



borrowing. Every time a schoolboy puts his weekly sixpence into Savings Certificates he is lending money to the Government. The interest he receives on his loan must be provided for in the Budget. During the last fifty years the National Debt has increased enormously. In 1880 it was £766,000,000 and it remained roughly the same until 1914. During the War it rose steadily and in 1935 it was nearly £8,000,000,000. The interest on it rose from £17,000,000 in 1914 to £812,000,000 in 1929. Owing to the fact that the rate of interest paid on part of the National Debt has decreased, in 1935 it stood at £211,000,000. This is a huge sum to have to find each year.

Owing to the great increase in social services, such as those for health, education, insurance and old age pensions, the costs of running the country have also greatly increased. In 1880-1 the nation's revenue was £82,000,000, its expenditure, including the interest on the National Debt, then comparatively small, was £81,000,000; in 1913-14 income was £198,000,000 and expenditure £197,000,000; in 1935-36 income was £753,000,000 and expenditure was £750,000,000.

Let us look in detail at the nation's balance sheet for the financial year 1935-6, shown on the opposite page.

A surplus of £2,941,000 is shown; that is, the nation had paid all its debts and had nearly £3,000,000 left over. (It should be noted that the amount of £718,218,000, Total from Taxes, includes certain small tax receipts not shown in the table.)

An examination of this balance sheet will show clearly from what sources the main part of the nation's income comes and on what it is chiefly spent. The interest on the National Debt eats up much of the money available, more than a quarter of the annual national income, but it must be remembered that a great deal of it goes back to the citizens who have lent money to the Government in the form of interest on Consols, War Loan, Funding and Conversion Loans etc. The Army, Navy and Air Force cost a

great deal, over £180,000,000, about one-sixth of the national income. The large item "Civil Services" includes some £40,000,000 paid by the Central Government towards the expenses of Local Government, £55,000,000 for education, £43,000,000 for Old Age Pensions, £20,000,000 for health services, £50,000,000 towards unemployment grants and

RECEIPTS.		EXPENDITURE.	
	£		£
Income Tax	288,074,000	Interest on	
Surtax	51,020,000	National Debt	211,534,000
Estate Duties	87,020,000	To National Debt	
Stamp Duties	25,800,000	Sinking Fund	12,466,000
Excess Profits, Duty		Payments to	
and Corporation		Northern Ireland	7,205,000
Profits	1,800,000	Other Payments	6,775,000
Land Tax, etc.	785,000	Defence Services—	
Custom Duties	196,642,000	Navy	64,805,000
Excise Duties	106,700,000	Army	44,647,000
Motor Vehicle		Air Force	27,496,000
Duties	4,977,000	Civil Services, in-	
Total from Taxes	718,218,000	cluding payments	
Profits on Post		to Local Govern-	
Office	11,670,000	ment	361,923,000
Rent of Crown		Cost of collecting	
Lands	1,860,000	Taxes—	
Receipts from Loans	4,984,000	Customs and	
Miscellaneous	21,738,000	Excise	5,628,000
Total Revenue	£752,920,000	Income Tax, etc.	7,500,000
		Total Expenditure	£749,979,000

#### NATIONAL INCOME AND EXPENDITURE 1935-6

£12,000,000 for the police. On some of these services more than the amounts shown are actually spent, since such services as education and the police are financed partly out of taxation levied by the Central Government, partly out of rates levied by local authorities.

In our next chapter we must deal with Local Govern-

ment. It will, however, be convenient at this point to consider Local Government finance.

We have seen that local authorities obtain the money they need partly from grants from the Central Government, partly from rates levied by themselves. Rates are taxes on property. All factories, houses and land within the area controlled by a local authority are assessed at a certain rateable value. Each year the local authority fixes the rate at a sum which will enable it to meet its estimated expenditure for the ensuing year. Rates vary from district to district ; in 1985-86 the average rate fixed was 11/1½ in the £. The average amount paid per head of the population of England and Wales was in this year £4. 0. 10. and the total amount collected in rates was £168,500,000. A list of some of the items on which local authorities have to spend money will give an idea of their special duties :

Baths, cemeteries, elementary education, higher education, fire brigades, gas works, harbours and docks, roads, hospitals, housing, administration of justice, public libraries, street lighting, asylums, markets, maternity and health, parks, police, poor relief, sewerage, cleaning, small holdings, tramways, waterworks.

So much for money. Let us now turn to the part played in English government by local authorities.

## CHAPTER 23

### LOCAL GOVERNMENT

**L**OCAL government is more ancient than central government. Indeed the history of most European states is the story of how, under strong kings, the central authority increased its power and took over that task of maintaining law and order which in earlier times had to be carried out by localities or not carried out at all. In Saxon times each locality was responsible for keeping "the King's Peace". Before a system of Common Law and Kings' Courts was introduced by Henry I and Henry II, justice was meted out in the courts of the manor, the hundred and the shire, according to the customs of the locality. The division of England into parishes dates back to very ancient times and the parish Easter meeting dealt not only with church matters but with more mundane affairs, such as the extermination of vermin. When it became necessary in the reign of Elizabeth to make provision for that care of the poor which had, before their dissolution, been undertaken by the monasteries, the duty was given to the parishes, which were called upon to appoint Overseers of the Poor and to levy a rate to be spent on those who needed help.

Many English towns have charters, giving them rights of self-government and of holding fairs and markets, dating from early times. In mediæval times the King's representative in the County was the Sheriff, who was responsible for collecting the king's taxes and executing the judgments of the King's judges. Henry VIII instituted County Justices of the Peace, who not only conducted the Quarter Sessions for the trial of criminals but also levied a county

rate and were responsible for the upkeep of roads and bridges.

Englishmen have always been jealous of their local rights and demanded a share in local government. Local Government as it is organised to-day is, however, comparatively recent. It dates back to the Municipal Corporations Act of 1835, amended and supplemented by the Act of 1888, which established County Councils and County Borough Councils with their present privileges and duties, and by the Act of 1894, by which Urban and Rural District Councils were set up and Municipal Borough Councils were given their modern form.

What are the duties of Local Government? A glance at the end of the last chapter, in which there is a list of some of the items on which local authorities have to spend money, will give an idea. They are obliged to work in co-operation with and to some extent under the control of the departments of the Central Government, particularly with the Ministry of Health, which is the department in general charge of Local Government. With the Board of Education, local authorities provide both higher and elementary education, with the Home Office they are responsible for the provision of a police force and the maintenance of order, with the Ministry of Transport they look after the greater part of the roads in their areas, with the Ministry of Health they attend not only to numerous health services but also to housing and town and regional planning. The health services undertaken by local authorities are of great importance and cover such services as the cleaning of streets, destruction of refuse, sewerage, water supplies, public baths and wash-houses, cemeteries, hospitals for the treatment of infectious diseases, as well as medical and dental inspection, maternity and child welfare, and provision of parks, recreation grounds and open spaces. To local authorities, too, fall the duties of arranging for street lighting and fire brigades, public libraries and tramways. Some local authorities control their own

# LOCAL GOVERNMENT

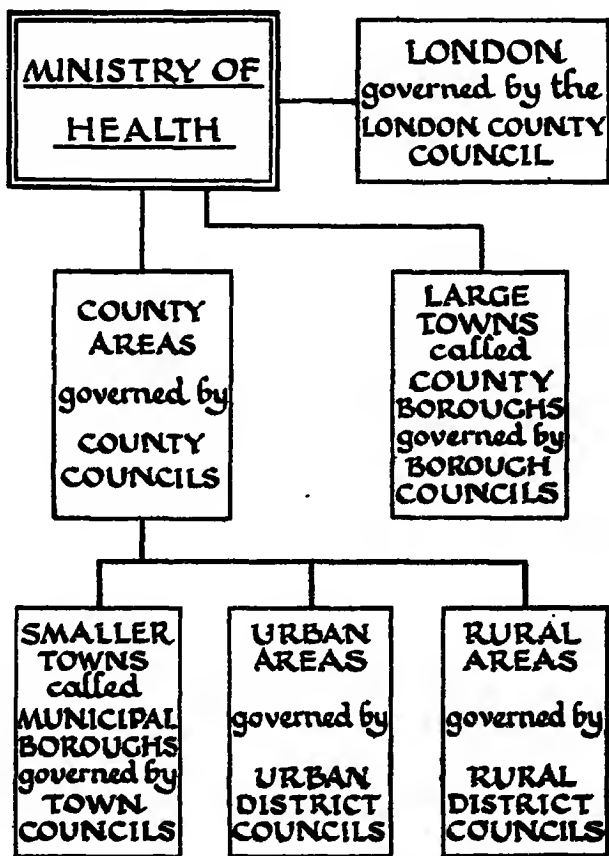


FIG. 18

gas and electricity supplies. By the Act of 1929 poor relief, which for centuries has been a duty of local government, was transferred from the old Boards of Guardians to Public Assistance Committees, constituted by County and County Borough Councils.

The general organisation of Local Government in England can best be studied by means of the chart on page 127. It will be noticed that London, on account of its vast size and special importance, has a form of local government, the London County Council, different from that of the rest of England. Apart from London, the biggest unit of local government is the County Council. On the County Council sit representatives of the different areas within the county boundaries. Each area is entitled to elect so many County Councillors, who represent that area for three years, when they must retire, though, if they wish, they may offer themselves for re-election. Certain senior County Councillors are elected Aldermen and, as Aldermen, may hold office for six years. From among their own number the County Aldermen and Councillors elect a Chairman who controls their deliberations.

It may happen that within a county area are large towns, important enough to be considered as distinct from the County. Such towns may become County Boroughs and be allowed, through their Borough Councils, to manage their own affairs, independently of the County Council.

Every county area is divided up into smaller areas, each of which is responsible to a greater or lesser degree for managing its own local affairs. Of these smaller areas there are three kinds: towns not important or big enough to become County Boroughs, called Municipal Boroughs and governed by Town Councils; fairly large districts which are partly town and partly country, called Urban Districts and governed by Urban District Councils; and fairly large districts, predominantly rural, governed by Rural District Councils. Of these three the Municipal Borough, with its own Mayor, Aldermen and Town Councillors, sometimes

with a tradition of local government dating back several centuries, possesses far greater powers and undertakes more duties than the other two. Town Councillors are elected by the inhabitants of the "wards" into which the town is divided. The Mayor is elected annually by the Aldermen and Councillors from among their own number.

The smallest unit is the Parish, once important but now no longer so. The only parish councils which now function are those in the villages of a Rural District.

County Councils and Town Councils are comparatively large bodies with much business to transact. It would be obviously impossible for a County or Town Council to get through it all if it always met as one body. In order to carry out its business, therefore, it divides up into committees. The Finance Committee is responsible for all matters connected with the raising and spending of money, the Watch Committee for public order and the control of the police, the Improvements Committee for such things as roads, streets, etc., the Education Committee for schools and other educational institutions, the Housing Committee for the provision of houses, building regulations and similar matters. Much of minor importance can be dealt with by a committee on its own authority, but all important affairs and recommendations must be brought before and receive the approval of the Council as a whole.

County and Town Councils are representative bodies, made up of men and women who give their services to the community free of charge. Some members may lay claim to special knowledge; the main function of a County or Town Council is, however, to represent the point of view of the ordinary citizens who have elected it, and to see that what is done is according to the general will of the community. To help it to reach right decisions and to see that its decisions are carried out, every County and Town Council employs a group of paid permanent officials, each one an expert in his own particular department. A Town Council, for instance, will employ a Town Clerk, responsible



for advising it on all matters connected with local government procedure. It will also have a Borough Treasurer to help in financial matters, a Borough Surveyor or Engineer to attend to constructional work, a Chief Constable to supervise the police, a Medical Officer of Health, and an Education Secretary to look after the schools under its control. Not only do these permanent officials advise the people's representatives on the Council or in Committee, they are also responsible, with their staffs, for carrying out the orders of the Council and conducting the day to day work of local government.

We have now surveyed in outline the government of our own country. In our next chapter we must go further afield and consider the government of the British Empire or, to give it a better title, the British Commonwealth of Nations.

## CHAPTER 24

### THE BRITISH EMPIRE AND ITS RELATIONS WITH GREAT BRITAIN

**T**HE British Empire covers an area of 18,000,000 square miles, over a quarter of the surface of the earth. It contains some 500,000,000 inhabitants, belonging to many races, colours, and religions and at every stage of development. Of these, some 70,000,000 belong to the white races. Its growth and development has taken several centuries and falls into three phases.

The first phase, that of discovery, conquest and colonisation began at the end of the fifteenth century, when Sebastian Cabot first set foot on Newfoundland. During the following centuries territories in many parts of the world were discovered and conquered by men of British stock; colonial possessions were also acquired as the result of wars with other powers. Settlers, sometimes to escape religious persecution, sometimes for reasons of trade, left the Mother Country and made new homes for themselves in these lands beyond the seas.

The earliest colonial possession of Great Britain, the southern section of the North American Continent, is, however, now no longer a part of the British Empire. In 1776 the thirteen colonies, which were the nucleus of what is now the U.S.A., dissatisfied with the way they were treated by Great Britain, broke away from the Mother Country and declared themselves to be an independent nation. The loss of these American colonies taught Great Britain a lesson which, by slow degrees, resulted in the second phase of the evolution of the Empire.

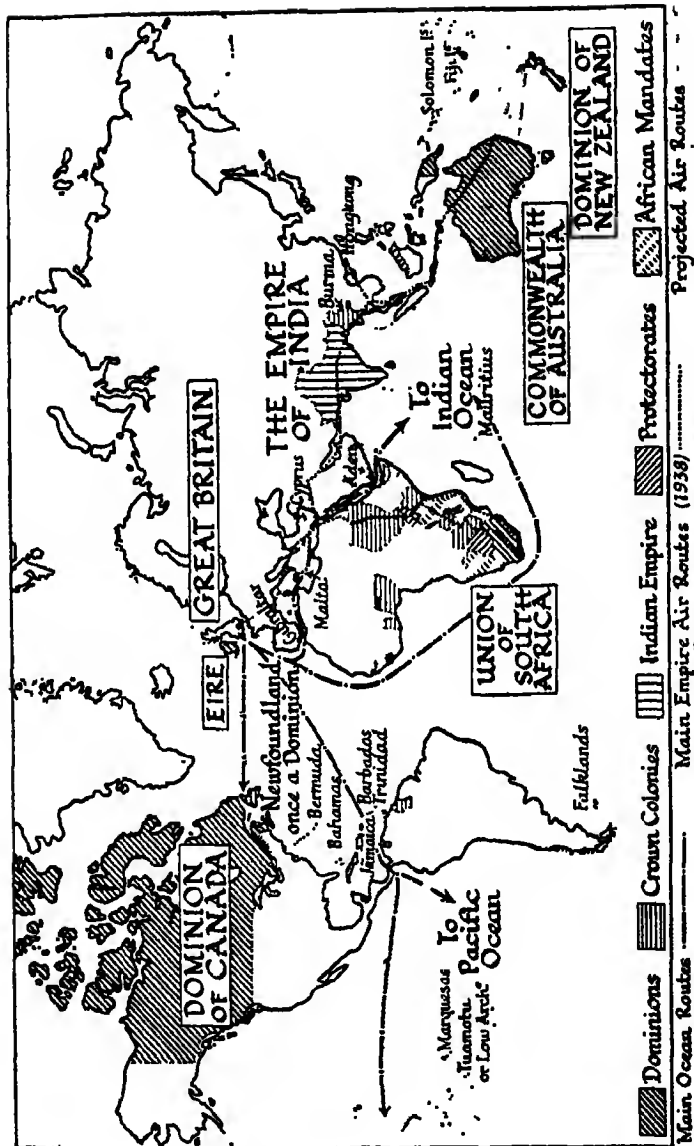
Originally colonies had been regarded as tracts of territory owned by the Mother Country, as sources of wealth to be ruled by her in her own interests. During the nineteenth and early twentieth centuries a new conception, that of colonial self-government, grew up and those parts of the Empire which were ready for it were given the right to manage their own internal affairs. Canada, Newfoundland, Australia, New Zealand, South Africa and, in 1922, the Irish Free State, acquired what is called Dominion status. Though politically dependent on the Mother Country and not yet sovereign states, they gained complete freedom to conduct their own home governments as they thought fit.

During the twentieth century a further change took place and the third phase of development was entered on. When Great Britain declared war on Germany in 1914, since the Dominions, though supreme in internal affairs, were dependent in foreign affairs on the Mother Country, she declared war in the name of the whole Empire. When, however, in 1919, the Peace of Versailles was signed, instead of the representatives of Great Britain signing on behalf of all, the representative of each Dominion signed individually for his own Dominion. The Dominions had acquired a new position which was clearly defined by the Imperial Conference of 1926 :

"They are autonomous (i.e. self-governing) communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations."

In short, they have become virtually independent sovereign states, no longer subordinate to Great Britain but equal partners with her in the British Commonwealth, only bound to her in that with her they pay allegiance to the same King.

British law no longer operates in the Dominions nor do laws passed by the British Parliament affect them. By the



important Statute of Westminster, passed in 1931, the restriction that a law passed in one of the Dominions which conflicted with English law was invalid, was removed. Each Dominion has its own judicial system, with judges appointed by the Crown, while the supreme Court of Appeal for the whole Empire is the Judicial Committee of the Privy Council, composed of British judges of high standing and representatives of the Dominions and of India.

Each Dominion may determine its own foreign policy, is responsible for the defence of its own area and controls its own army, navy and air force. In both foreign policy and defence, however, all work in close liaison with Great Britain and questions of general Imperial defence are discussed and arranged by the Imperial Defence Committee.

Relations between the Dominions and Great Britain are controlled by the Secretary of State for Dominion Affairs, while in each Dominion the King is represented by a Governor-General.

All parts of the Empire have not, however, acquired Dominion status. India is at present in a transitional state. More will have to be written about India in a later chapter but a few words must be said here.

India is a peninsula of great size and vast population. It falls into two parts: the Indian States, which are governed by virtually independent rulers, each controlling his own internal affairs, making his own laws and collecting his own taxes, but acknowledging the British Crown as the Paramount Power, with the right to intervene in cases of misgovernment or if the peace of India is threatened; and British India, the territory actually conquered by Great Britain and more directly under her control. British India is divided into provinces on the federal system, with powers and duties divided between the provinces and the Central Government.

In 1919 India was promised Dominion status but, owing to such difficulties as the existence of intense religious rivalry between Hindus and Moslems, the number of races

# THE BRITISH EMPIRE

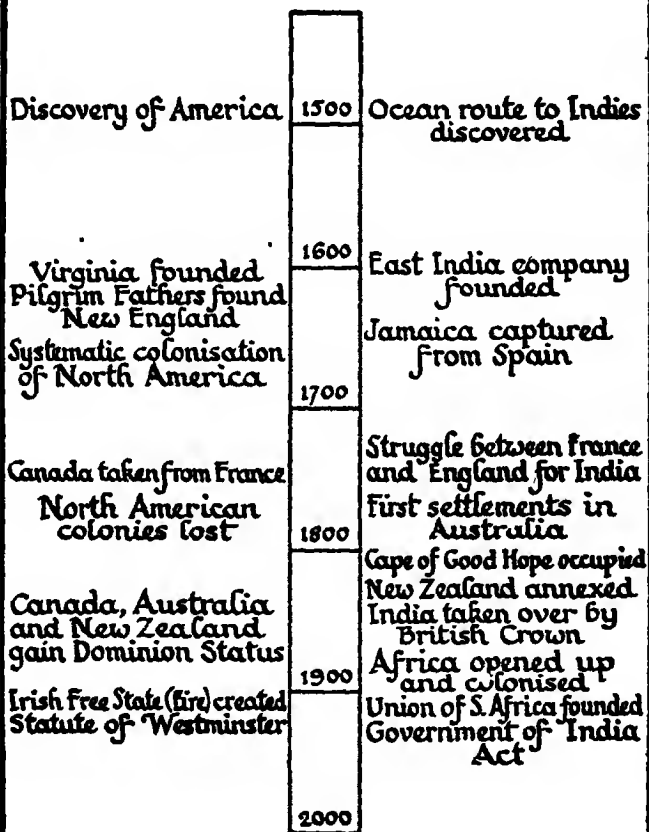


FIG. 20

and the lack of political experience of a great part of the population, it is felt that full Dominion status can only be granted gradually. By the Government of India Act of 1935 an All-India Federation, with a central government in which both the Indian States and the provinces of British India will be represented, is envisaged. While self-government is granted to the provinces, neither the federal parliament nor the provincial parliaments are given the same full powers as those of Great Britain or the Dominions. Both the Governor-General and the Provincial Governors are vested with the authority, should they think it expedient, to over-ride the decisions of the federal and provincial parliaments. Thus, though on the way towards it, India has not yet been given complete self-government. By the Act of 1936 Burma was separated from India and given her own constitution. Relations between Great Britain and India are controlled by the Secretary of State for India.

The third group of dependencies which make up the British Empire are known as Crown Colonies. These are, through the Secretary of State for Colonies, controlled more completely by Great Britain than are India or the Dominions. They may be arranged in three classes according to the amount of self-government each class possesses.

In the first class are those which possess a legislative assembly, wholly or partly elected, and an executive council, not elected but nominated by the Crown or the Governor representing the Crown. Examples of this class are Jamaica, Barbados, Bermuda and Northern Rhodesia. In the second class fall those colonies in which both legislative and executive councils are nominated by the Crown or the Governor, as, for instance, Ceylon, Gibraltar, Kenya, the Straits Settlements, Trinidad and Sierra Leone. In the third class, as for instance in Labuan, there are no councils and the Governor rules alone.

In addition to the Crown Colonies Great Britain has a greater or lesser influence in certain other overseas terri-

tories. These, too, fall into three classes : protectorates, such as Nyasaland and Uganda, the foreign policy of which is controlled by the British Crown ; spheres of influence in which foreign powers have agreed to allow Great Britain a free hand, such as the Persian Gulf and parts of Arabia ; and mandates, that is, territories, once belonging to Germany and the Turkish Empire, now entrusted to Britain by the League of Nations for the securing of good government and the development of their natural resources.



## CHAPTER 25

### DEMOCRATIC GOVERNMENT IN OTHER COUNTRIES

**W**HILE one must beware of assuming that all democratic countries have forms of government exactly similar to our own, it would be tedious to try to describe in detail the varying types of constitutions under which each works. It may be useful, however, to take two typical democratic countries, the United States of America and France, and consider some important differences between the workings of their governments and our own.

American democracy has been given the name of *Presidential Democracy* to distinguish it from *Parliamentary Democracy*, the evolution of which has been Great Britain's chief contribution to the art of government.

We have seen that an important characteristic of our own Constitution is that the legislative and executive functions are vested in the same body, to which the title "King in Parliament" is given, and that the ministers who compose the executive are members of the legislature, dependent on it and responsible to it for their actions. In the American Constitution the legislative and executive functions are, to a very great extent, separated. To the President is given the supreme executive power but little authority to interfere in the making of laws; to Congress, with its two houses, the Senate and the House of Representatives, is entrusted the making of the laws but not the duty of administering them. It is true that the President has a suspensory veto over legislation. He may refuse to sanction a bill passed by Congress, but if, on a fresh vote, both Houses

of Congress, with a two-thirds majority in each, pass the bill, it becomes law without the President's approval. It is true, too, that the Senate has some control over foreign affairs, since its consent is necessary to the making of treaties with foreign powers and to the appointment of ambassadors, and that Congress alone can declare war. But with these exceptions the two functions, the making of the laws and the administration of them, are kept separate.

The President is chosen, not by Congress, but by a collection of bodies, elected on a state basis—it will be remembered that the U.S.A. is a federation—and composed of as many members for each state as that state is entitled to send Senators and Representatives to Congress. The electors, who may never have been either Senators or members of the House of Representatives or have held a governmental post, meet at their state capitals and cast their votes. The ballots are then sent to Washington and opened by the President of the Senate in the presence of Congress. The candidate for the Presidency who gains a majority is declared elected. He holds office for four years and may, if he wishes, offer himself for re-election for a second, but not a third, term of office.

During his term of office the President is, in his own sphere, supreme. He chooses his own Cabinet, all the chief and even some of the minor officials, none of whom may, under the Constitution, be members of Congress. So while in Great Britain the Prime Minister and the Heads of Departments sit in Parliament and are responsible to it, in the United States the President and his ministers can only communicate with Congress in writing, are in no way dependent upon it, and cannot be removed by it.

In the United States the President is, as we have seen, very powerful, more powerful than either the English King or the English Prime Minister; in France he is a mere figure-head. He is elected for seven years by the National Assembly. The National Assembly is a combined meeting of the Senate, the Upper House, consisting of 814 members,

elected by indirect vote for nine years, and the Chamber of Deputies, the equivalent of our House of Commons, elected by direct vote for four years. The President has little executive authority, though foreign affairs are in theory in his hands, and, though he may initiate legislation, he has no power of veto.

In France, as in Great Britain, the legislature and the executive are one. The executive is the Prime Minister and his Cabinet, which is chosen from members of the Senate and the Chamber of Deputies, that is from the two legislative bodies. It is possible, however, to hold Cabinet rank without being either a Senator or a Deputy.

There are, however, two essential differences between the British and French systems. The French Chamber of Deputies is elected for four years and cannot be dissolved until the four years are completed. In Great Britain, while a new parliament must be elected at least every five years, Parliament may be dissolved any time within the five years if the party in power is defeated in the House of Commons. Since numerous elections are both expensive and undesirable, the House of Commons would hesitate to bring about a defeat of the Government unless very serious issues were at stake. A Government, therefore, has a fair chance of continuing in office for a reasonable period. Under the French system a defeat of the Government does not result in the dissolution of the Chamber but merely in the Government's overthrow. Government defeats and consequent changes of ministers are, therefore, very frequent. These changes are rendered more frequent by the method whereby the composition of the Government is decided.

In a previous chapter we have seen that in Great Britain His Majesty's Government is drawn from the party which secures the majority of seats in a general election. In Great Britain, moreover, there are only two, or at most three, parties. Each elector votes for that party which most nearly represents his views. In France, on the other hand,

a more democratic, but in practice much less easily workable, system of numerous parties or groups exists. Every shade of political or economic opinion is represented by a separate group. Thus to form a Government a would-be Prime Minister must negotiate with numerous groups in order to ensure his getting a majority. Even when he has secured a majority and taken office he has no guarantee that all the groups which have promised him support will continue to support him for any length of time. On any difference of policy arising, groups supporting the Government may turn against it and bring about its defeat and resignation. Not only are changes of ministry thus much more frequent in France than in Great Britain, but also, since to secure the support of sufficient groups to form a ministry necessitates a good deal of compromise, the pursuit of a strong vigorous policy is more difficult than under our own party system.

Up to 1919 most political thinkers believed that gradually all the world would adopt the democratic system of government. Since 1919, however, the efficiency of this form of government has been challenged and a less liberal type has been introduced in several European countries. This challenge we must now discuss.

## CHAPTER 26

### THE CHALLENGE TO DEMOCRACY

**D**EMOCRATIC government lays particular emphasis on individual liberty. If we survey the evolution of democratic government in our own country we cannot but notice how great importance has been attached by those who fought for it to such things as the right of citizens to criticise the acts of the Government, to freedom of the press, to the right of association—that is, the right of citizens to form themselves into associations, such as Trade Unions, to obtain what they want—and to the right of public meeting. In England, though not in every democratic country, complete equality of every citizen before the law has been insisted on. If the Prime Minister breaks the law, he, as much as the most insignificant citizen, may be called upon to answer for his actions before the ordinary courts. Free and open trial is the right of every citizen. No one may be imprisoned without trial and then only if he has broken the law of the land. Imprisonment for acts which the Government in power may disapprove but which are not breaches of the law would be in England unthinkable. The state is regarded not as something important in itself but as existing merely for the welfare and happiness of each individual citizen. English liberty has been the outcome of centuries of struggle and is regarded by Englishmen as a priceless heritage. They have come to believe that persuasion is better than force. It may be almost said that Englishmen prefer less efficient government with liberty than more efficient government without it.

Even in democratic countries, however, the complications and difficulties of our modern age have led to the belief that individual liberty may need to be checked and curtailed in the interest of the community as a whole, that in economic affairs for instance, centralised planning for the future, even though it may result in the restriction of individual enterprise and control, is desirable and necessary.

In some countries, in the interests of greater efficiency, democracy and individual liberty have, in recent times, been entirely swept away; dictators have replaced parliaments, force has taken the place of persuasion and the state, claiming control over every aspect and activity of life, has become supreme. This process has taken place in Russia, Italy and Germany as well as, in varying degrees, in Poland, Hungary and Yugo-Slavia. Even before her union with Germany, Austria was numbered among the dictator states. In 1936 a terrible struggle started in Spain to decide whether that country should be numbered among what are called the *totalitarian*, as opposed to the democratic, states and what particular form of totalitarian state should be set up.

There are in Europe at the present time two forms of totalitarian states, which may be called the Communist and the Fascist, in their general philosophy and methods very similar, but with different economic ideals. Each is violently opposed to the other. Let us first examine this philosophy and these methods.

The defenders of the totalitarian state maintain, that under modern conditions democratic government and the insistence on the liberty of the individual results in inefficiency and chaos; good and efficient government can only come by the abolition of personal freedom and the subordination of the individual to the all-powerful state. The existence of parliaments and parties leads only to endless discussions and nothing effective being done. The modern state has no use for rival parties; there is room for one party only, the party whose policy is for the greatest good of the state; all other parties must be swept away,

if necessary by force. Criticism of the government cannot be tolerated, freedom of speech and freedom of writing are dangerous to national solidarity of opinion and effort, the existence of associations outside the ruling party, of the validity and rightness of whose policy there must be no criticism, undesirable. Education, newspapers and radio must all be used to impress upon the citizens the ideas for which the ruling party stands; for those who will not conform there is exile or the concentration camp. Even the citizen's religion must not come above his loyalty to the state. At the head of the party is the Leader, Mussolini in Italy, Hitler in Germany, Stalin in the U.S.S.R., the dictator in whom all power is concentrated and whose will is law.

This philosophy is held and these methods followed by all totalitarian states, whether they be Communist or Fascist. The Communist differs from the Fascist in his economic ideas. Communism, which was first established in Russia, stands for what is called the *dictatorship of the proletariat*, the abolition of that capitalist organisation of society described in the first section of this book, and the transfer of power to the manual workers (or proletariat) so that they may organise production in their own interest. Fascism, on the other hand, wishes to maintain the present capitalist system, though controlled and directed to a much greater extent than formerly by the state.

More will be written of Russian Communism, Italian Fascism and the Nazi régime in Germany in the next section of this book. Opposed as each is to the institutions which over many centuries have been evolved in our own country, it would be wrong to condemn them out of hand. It is more important to try to understand them.

First of all one must remember that throughout European history there have always been two traditions and ideals, which may be called the ideal of authority and the ideal of liberty. From one point of view the struggle between Napoleon and England at the beginning of the nineteenth

century was a conflict between these two ideals. One may say that the straight Roman road is the symbol of the first, the twisty English road the symbol of the second. G. K. Chesterton has summed up the matter in one of the songs of the English road in "The Flying Inn":

"I knew no harm of Bonaparte and plenty of the Squire,  
And for to fight the Frenchmen I did not much desire;  
But I did bash their baggonets because they came arrayed  
To straighten out the crooked road an English drunkard  
made,  
Where you and I went down the lane with ale-mugs in our  
hands,  
The night we went to Glastonbury by way of Goodwin  
Sands."

One must remember, too, that our own democratic institutions are the result of many centuries' growth and of a long period of training in self-government. The first English Parliament met in 1297 and has been slowly evolving ever since. Moreover, Great Britain is an old nation and her national unity dates back a good many hundred years. Russia only began to come into the European society of nations at the end of the seventeenth century and, up to the end of the Great War, the vast majority of her population were illiterate peasants. Up to very recent times, moreover, her government was an autocratic one in which the people had no share. The first Russian Parliament did not meet until 1905 and had no real power. Germany was, until 1871, a collection of independent states, and when she became united her government was only partially democratic. It was not until 1919 that, under very unfavourable conditions, she began to try out her first real experiment in democratic government. Italy, like Germany, is a nation of recent growth. Up to the middle of the 19th century she was a group of separate autocratic states. The first Italian Parliament met in 1861, less than seventy years ago, but democratic institutions, which demand a high state of political ability on the part of the people as a



whole, never took firm root in that country and never worked with any real efficiency. It may be that the existence of dictatorships represents a normal and right stage in the evolution of these countries.

Finally, it is not unusual for liberty to disappear and for dictators to arise in states going through periods of political and economic stress. As we shall see when we come to study Russian, German and Italian affairs in greater detail, all these countries have both during and since the Great War gone through a period of great difficulty. It may be that only under a dictatorial form of government, in which criticism and opposition are eliminated, even though it may result in a temporary lowering of the intellectual life of the nation, can they find the path which will eventually lead them to prosperity and stability. Much will depend on how far the more moderate elements in the dictator states can prevent that desire for power and aggrandisement, which, though not peculiar to these states, is particularly evident in them, leading to a catastrophic war.

**PART III**

**THEN AND NOW:  
THE BACKGROUND AND  
HISTORY OF OUR TIMES**

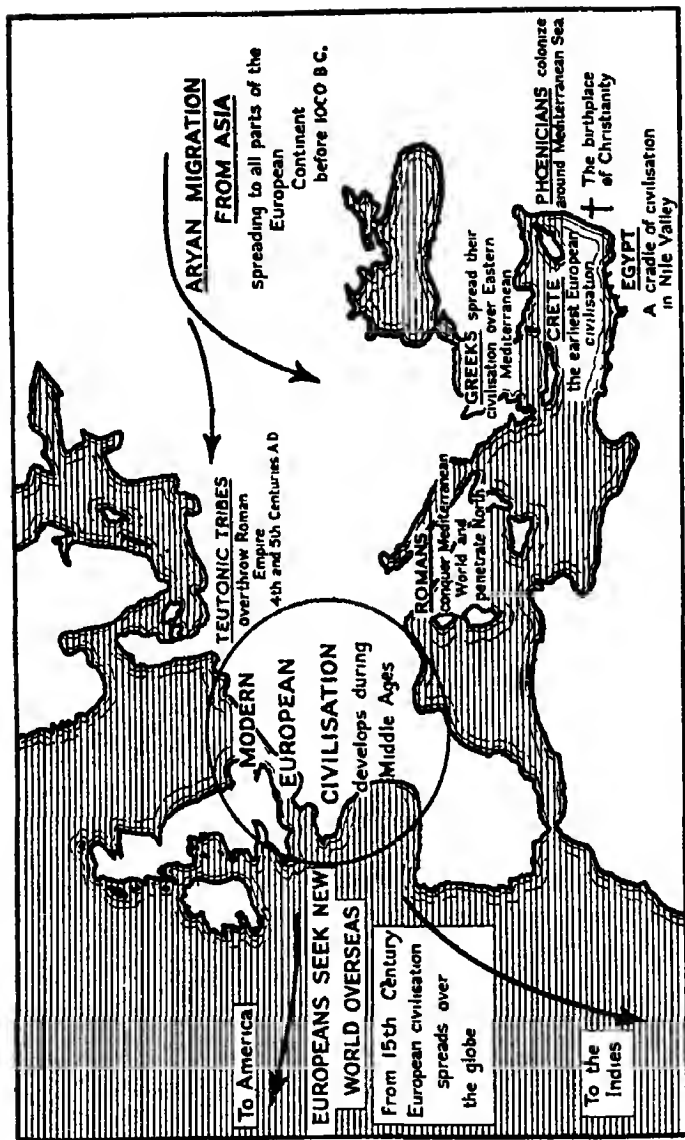


FIG 21—EUROPEAN CIVILISATION

## CHAPTER 27

### A BRIEF SURVEY OF EUROPEAN CIVILISATION

**I**T was once not uncommon for English boys and girls to leave school knowing little of any country except their own. Throughout the nineteenth century, England, "this precious stone set in a silver sea," guarded by the "wooden walls" of Nelson's fleet and later by the iron-clads of her invincible navy, pursued a policy of isolation. Refusing to become entangled in European alliances, she went her own way, enlarging and developing her Empire, only to a small extent affected by what was happening on the other side of the small strip of water which separated her from the mainland of the continent of Europe.

Now all is changed. We have become a part of Europe to an extent greater than ever before in modern times. Our destiny is bound up with that of our European neighbours. What is happening in Europe is of supreme interest and importance to us.

The outstanding fact about Europe is the extent of its population, trade, developed resources and influence as compared with the comparative smallness of its size. In area it covers only about one twelfth of the surface of the world. Yet in that small space live a quarter of the inhabitants of this globe. More than half the world's trade is conducted by Europeans and they own more than a third of its shipping. Europe's production of wheat, coal, wool and manufactured goods is greater than that of any other continent. Moreover, and perhaps most significant, the European nations or peoples of European origin own and control most of the world, the whole of Africa, Australia,

and America as well as vast tracts of Asia. Great civilisations have arisen in other parts of the world and other cultures have much to teach the European peoples; the present age is, however, the age of the supremacy of the West.

The reasons are not far to seek. The temperate climate of the European continent has resulted in the development of hardy, energetic people. Moreover, the fact that geographically Europe is a peninsula of Asia, into which numerous peoples have flowed, has resulted in a racial mixture which is full of vigour and initiative. Her fertile soil and varied climate have enabled her to produce not only her own essential foodstuffs but also surplus products for exchange with other parts of the world. Her central position and extensive seaboard has been favourable to the development of world trade. Finally, the European continent is the birthplace of modern science and invention. Out of it have come the railway train and the steamship, the aeroplane and the telegraph, the motor car and the industrial machine, not to mention battleships and artillery, rifles and machine guns. The possession of these scientific resources has enabled the European peoples to conquer, control and develop the rest of the world and to leave the impress of their civilisation wherever they have gone.

Our chief concern in this book is with to-day, with what is happening now. We cannot, however, understand present-day affairs and view them in right proportion except with a knowledge of and in relation to what has gone before. Our first task will be, therefore, to make a brief survey of that European civilisation of which we are the heirs.

The earliest world civilisations developed along river valleys, such as the Nile, the Tigris and Euphrates, the Ganges and Indus and the Yang-tze-kiang, protected from attack by deserts or mountains. When these centres of civilisation adjoined an inland sea or when there were groups of islands not far from the river mouth, skill in

navigation developed. The men of the river civilisations were able to sail their little ships to adjoining lands less developed than their own, carrying with them their arts and crafts.

So civilisation spread, and we enter on the next phase of development, that of civilised communities surrounding

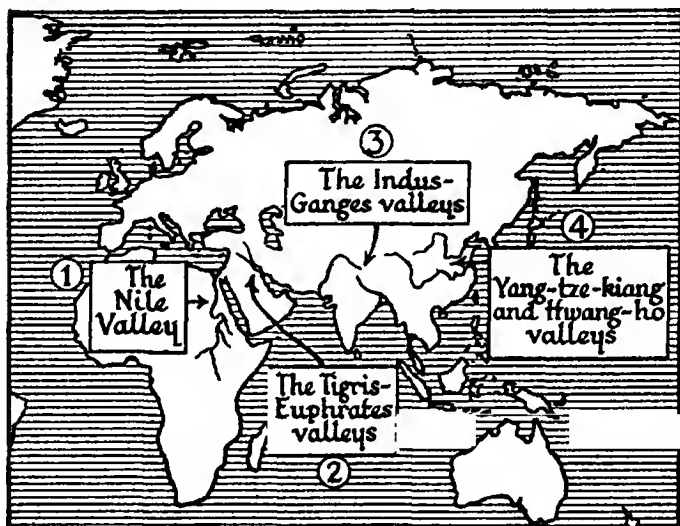


FIG. 22—EARLY CIVILISATIONS

an inland sea. It was round an inland sea, the Mediterranean, that the first steps in the development of European civilisation were taken. The first centre of Mediterranean civilisation was in Crete. Later it moved to Phoenicia and Greece, the inhabitants of which were seafaring peoples whose sailors established colonies round the coasts of the Mediterranean Sea. Later still Rome became the chief Mediterranean power, overthrowing Carthage, the principal Phoenician colony in the West, in a life and death struggle,

conquering the Greek world, and then by way of the Rhône valley, penetrating into the temperate lands of the North. A glance at a map of the Roman Empire at its height shows clearly how the whole of the Mediterranean inland-sea area had been brought under the control of one strong power.

In the building up of our European civilisation four main influences have contributed, first the Greeks and Romans, then, through Rome, the Christian religion, lastly the Teutonic tribes who, as the Roman Empire was tottering to its fall, spread southward and westward from their homes behind the Rhine and penetrated into a large part of the Roman world.

To the Greeks we owe the origins of our art and literature, of our philosophy and science. Though Greece developed, in the city state of Athens, the earliest form of democratic government, the Greeks never really excelled as rulers. Until Alexander of Macedon united the Greek world under his rule, the political story of Greece is one of disunion and frequent quarrels between the small Greek states. In the realm of ideas, however, she was supreme. We still gaze with admiration and envy at the remains of her buildings and statues, we still regard her poetry and drama as the fountain source of our own literature, Greek philosophic and scientific ideas have had a profound influence on the development of our own.

The Roman genius was very different from that of the Greek. The Romans were an essentially practical people; they excelled as soldiers, administrators of conquered territory, builders of roads, aqueducts and towns, makers of codes of law. Their particular genius enabled them not only to conquer the lands round the Mediterranean but also to extend their power far beyond the Mediterranean world. Within the boundaries of the Roman Empire were peace and order, strong government and just law, such as the world had never seen before. Rome taught to Europe the art of government and her legal code has been the

model on which the legal systems of many European states have been framed.



FIG. 23—FEUDAL EUROPE

Western Europe about 900 A.D. The arrows indicate the expansion of Wessex, the Kingdom of France and the Kingdom of Leon. These three kingdoms were the nuclei of modern England, France and Spain respectively.

Rome not only conquered, she united. She broke down local customs, prejudices and religions and made men proud of their common heritage as Roman citizens. Into this united world the Christian religion was born and won so



many converts that, less than three centuries after the death of Jesus Christ, the Roman Emperor, Constantine the Great, acknowledged it as the official religion of the Empire.

To those of us who are Christians, Jesus is a divine figure, the supreme revelation of God to men. But whether one regards Jesus as divine or not, one cannot deny his profound influence on the world. There were other great religious teachers before him, Confucius in China, Buddha in India, the Hebrew prophets, Plato, but none spoke with the same authority and force. It is easy to criticise the Christian Church and to point out how far short it has fallen from the ideals which Jesus taught. Nevertheless had there been no Christian Church the difference in the development of European civilisation would certainly have been profound.

Into the Roman Empire, tottering to decay, there swept, during the fourth and fifth centuries of the Christian era, wave after wave of Teutonic barbarians, Goths, Vandals, Saxons, Lombards and Franks. While the Roman Empire continued to exist for many centuries in Eastern Europe, with its capital at Byzantium (Constantinople), in the West under the barbarian pressure it fell to pieces and Europe entered on what are called the Dark Ages. Roman peace and secure government disappeared. There was no central authority which could impose order on a turbulent world. Europe became divided up into innumerable small kingdoms, ruled over by whatever king or noble could impose his will over some small area. The stately Roman towns crumbled, the great Roman roads fell into disrepair, trade and commerce decayed. The only widespread authority was that of the Catholic Church, ruled by the Pope and with its centre in Rome, which, in a wild unruly world, managed to keep alive a little of the civilised life that had all but disappeared.

Uncouth as they were compared with the Romans, these Teutonic invaders made in their turn a definite contribution to our European civilisation. Not only were

they great lovers of freedom and placed the right of the individual man above the authority of the state—the Romans had tended to put the state first and the individual man second—they also gave to Europe the germs of that democratic form of government which has been evolved by men of European race not only in Europe itself but in those great tracts of land developed by Europeans, the United States of America and the self-governing Dominions of the British Commonwealth of Nations. We can trace the influence throughout European history of three of their institutions: 'their practice of holding public assemblies of all the freemen of the tribe, the seed of the parliamentary system; the right claimed by the freemen of the tribe to elect as their king whomsoever they wished; and their system of law, which was not, as among the Romans, something given from above but was based on and grew out of the customs of the people.

As the centuries which we call the Middle Ages rolled on, two important developments occurred. Firstly, the scattered fragments of Europe, urged on by the need to resist invasion and through the ability of strong kings, were drawn together into larger units. This process of unification was particularly noticeable in England, France and Spain; in Italy and Germany conditions prevented its happening until a much later period. These larger units eventually grew into the national states we know to-day. Secondly, the barbarian tribes which had overthrown the Roman Empire were gradually civilised and educated. Their chief teacher was the Catholic Church but they were also affected by other influences, particularly by their contact with Eastern Europe and with the Arabs, who, from the eighth century onward, had been invading Europe by way of Spain and Sicily and with whom Europeans also came into contact through the Crusades. With the passing of time the men of Europe learnt to build great cathedrals, to carve those marvellous statues such as are

found at Chartres, to think, to write. As greater order was restored trade increased, towns were built, shipping developed. Slowly, very slowly, the work of progress and education went on, until, in the fifteenth century, Europe was ready to take up the work the Greeks had begun and launch out upon paths the Greeks had never trod. This awakening was the result of a very gradual development through many centuries, but it appeared to be so sudden that it has been given the name of the Renaissance or Rebirth. A new spirit seemed to have come into being, manifesting itself in many ways. Men became intensely curious about the world in which they lived and longed to know more about it. Painting and sculpture, architecture and literature flowered. Intrepid sailors set out into uncharted seas in search of new lands.

Commerce in the Middle Ages was confined to inland seas. The ships of the Italian ports of Venice and Genoa collected the valuable products of the Indies, carried across Asia or through the Indian Ocean to the seaboard of the Eastern Mediterranean, and distributed them to Europe. Later a new centre of inland sea trade grew up round the Baltic Sea among the Hanseatic League towns of Northern Germany and the Netherlands, connected with Italy by the great waterway of the Rhine and the passes of the Alps.

The routes connecting the Mediterranean with the Indies had been controlled by the Arabs. Upheavals in central Asia and the advance of the Turks, a warrior rather than a trading people, were, however, in the fifteenth century closing up these routes. Men, filled with the spirit of curiosity and urged on by the desire for gain, set out to find new ways to the Indies. In the last decade of the fifteenth century Vasco da Gama sailed round Africa and reached India. Columbus and Cabot sailed westward across the Atlantic and found a new and unexpected continent. A new age dawned, the age of ocean trade. As a result, the countries facing the Atlantic Ocean, Spain, France, England and Holland, supplanted in power and

influence the Mediterranean Lands. They fought with each other for trade supremacy and colonies. Their ships sailed

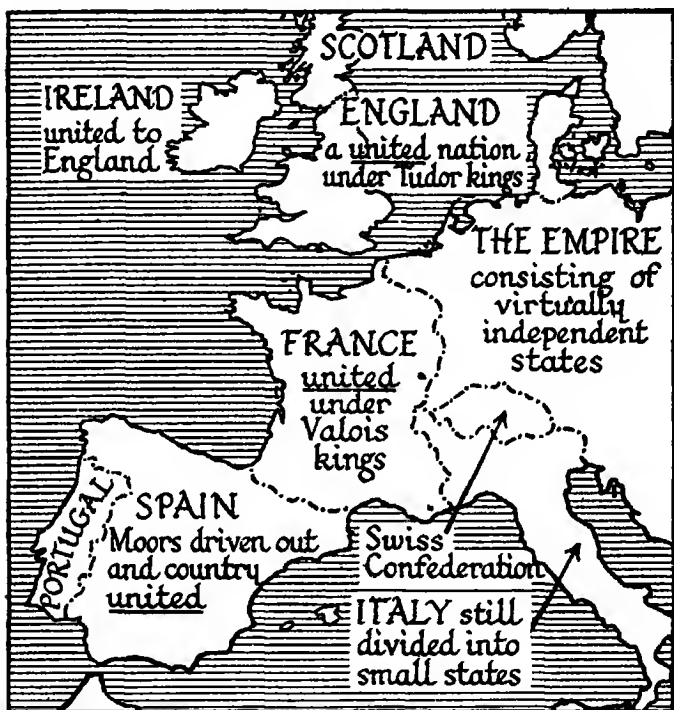


FIG 24—THE GROWTH OF NATIONAL STATES IN EUROPE

Western Europe about 1500 A D , showing modern nations in process of formation.

out to all the coasts of the world. Their trading posts were to be found in every land.

For some time after the knowledge of the Greeks had been rediscovered, Europeans were too busy learning what the Greek scientists had to teach them to launch out on new discoveries. In the late sixteenth and early seventeenth

centuries, however, they began to push forward into fresh fields. Basing their conclusions on observation, they explored the realms of astronomy, physics and mathematics. These seventeenth century scientists are the fathers of that modern science which has changed the face of the globe and made our world so different from that of previous ages.

During this period of European history the development of European nations into their present form continued. Spain, France and England led the way. Later Holland broke away from Spanish dominance and became a separate nation. Later still, under the leadership of Peter the Great, Russia came into the European picture. At this stage most states were governed by kings and emperors, claiming and wielding absolute power and allowing little if any share in government to the people over whom they ruled.

In the eighteenth century, however, this era of European development was drawing to a close. In the second half of the century occurred two revolutions, destined to alter the political and economic conditions not only of Europe but also of the world.

## CHAPTER 28

### THE AGE OF STEEL AND STEAM

**I**N our last chapter we galloped along the path of European civilisation, covering several thousands of years in a very short time. As we approach our own age the pace must be slowed down. We need a rather more detailed picture.

We have now reached the beginning of a new epoch, the era of steel and steam, of wide-spread democracy and the rise of the people to power. New eras in the world's history often start with revolutions, more or less sudden. So it is with this era; it opens with two revolutions, one in England, one in France. The latter was the more spectacular, the former probably the more important.

For thousands of years most of the processes whereby the primary economic needs of man were supplied had remained roughly the same. The methods of growing corn, the ploughing of the land by horses or oxen, scattering of the seed, reaping by a hand-wielded sickle, were not much different in the eighteenth century from what they had been in the fields of Greece or on a manor of medieval England. Though a spinning wheel had, about the time of Queen Elizabeth, replaced the distaff used by the women of ancient Egypt for the spinning of wool, the loom of the eighteenth century weaver did not differ fundamentally from that pictured on the paintings found in Egyptian tombs. The stage coach made little departure in principle from the chariots which had driven along the great roads of the Roman Empire.

The Industrial Revolution, that movement which started in England in the eighteenth century and has now spread

throughout the world, launched the economic life of this planet on new courses. It was characterised by the discovery of steam power and of new methods of converting iron into steel. These made possible the steam boat and the railway train, as well as the complicated machinery, driven by steam power, capable of manufacturing goods far more cheaply and at a far greater speed than had been possible in previous ages when everything had to be made by hand. With this new source of power, this new kind of transport and this new method of manufacture, the world entered on a new era, the era of mass production and of the opening up of the great land areas of the world.

We shall have to say a good deal more later in this book about the effects of these new inventions. First, however, we must say something of that other revolution which at the end of the eighteenth century shook Europe and inaugurated a new political era.

In our last chapter we noticed that the most widespread form of government was that of kings and emperors, wielding absolute power and allowing the people little share in their government. In the years following 1789 the French people overthrew the monarchy, beheaded their king and a good many of the nobility, proclaimed the Rights of Man, and established a republic. Not content with a revolution in their own country, they marched their armies into the countries bordering on France, proclaiming that they came to deliver the inhabitants from the tyranny of kings.

Revolutions seldom work out as their original authors intend. The French Revolution led to such disorganisation in the normal life of the country that the people at length turned against the revolutionary leaders and accepted Napoleon, the most successful of the revolutionary generals, first as a sort of President and later as Emperor. Napoleon tried to make an empire which should include the whole of Europe. Though both in France and in the countries he conquered he introduced a far more efficient form of

# EUROPEAN HISTORY

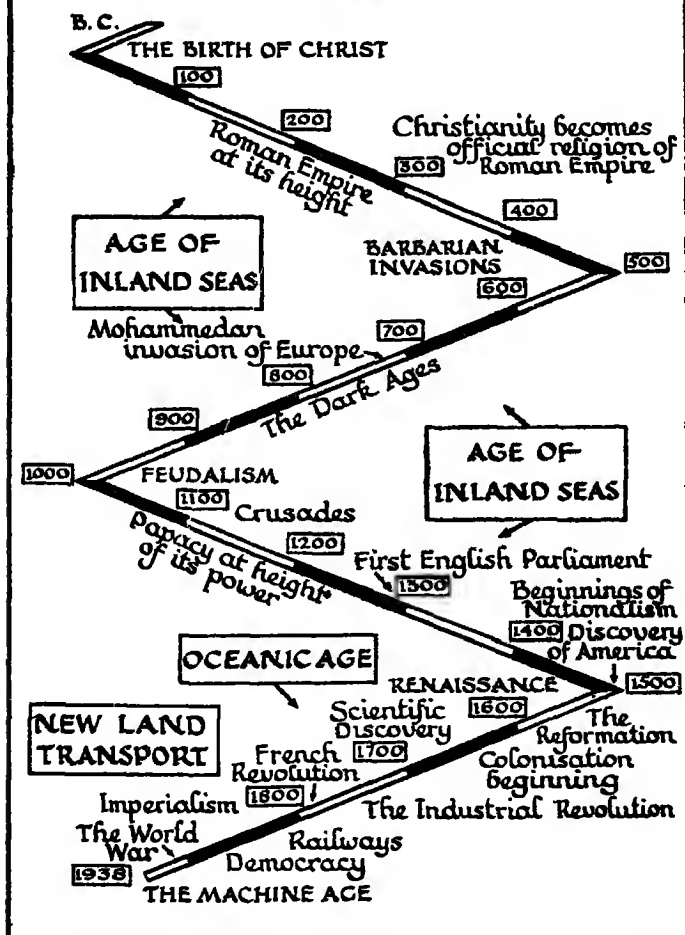


FIG. 25



government than had previously existed, his conquests roused wide-spread opposition. Headed by England, who feared that the spread of Napoleon's power would not only threaten her liberty but also affect her trade, the European nations leagued themselves together against him and eventually he was overthrown. In 1815, by the Treaty of Vienna, the victorious allies attempted to bring Europe back to the condition in which it had been before the French Revolution.

The Revolution had apparently failed. The ideals for which it had stood, however, continued to live and develop. The peoples of Europe were not content to return once more to the bad government of despotic kings and emperors. During the nineteenth century revolutions again and again broke out—in 1848 the whole of Europe was in flames—and, though they were often crushed, progress toward more democratic forms of government went on. By the end of the century, the people of many European states had gained a measure of control over their own government undreamt of by the men who had started the French Revolution.

This rise of the people to power was, in part, due to developments in the economic life of the world. The well-being of a modern state has come to depend to a great extent on the great key economic services, such as power and transport. If the miners refuse to work, if the railway-men refuse to run the trains and the lorry drivers to drive their lorries, then the economic life of a country will soon be brought to a standstill and everyone will suffer. The men in these key services have, by organising themselves into Trade Unions, not only gained considerable economic power, but, on account of this increase in economic power, considerable political power also.

During the nineteenth century the development of national states continued. We have already seen how England, France and Spain had in earlier centuries gained a national consciousness. After 1800 several other new

nation-states came into existence. Belgium gained her independence in 1830; in 1861 Victor Emmanuel became King of a united Italy; ten years later the King of Prussia was proclaimed German Emperor. The century saw also the birth of a group of states, carved out of the apparently dying Turkish Empire, in the Balkans. Two of these new nations, Germany and Italy, were destined to play an important rôle in our own times.

## CHAPTER 29

### HOW THE INVENTION OF THE RAILWAY TRAIN AFFECTED WORLD DEVELOPMENT

**I**N our last chapter we saw how the discoveries of steam and steel made the railway train possible. It was an important invention which had far-reaching effects on the economic and political life of the world. Improvements in shipbuilding in the fifteenth century made the oceans the chief channels of communication between peoples and opened up the oceanic seaboard; in the nineteenth century the discovery of the railway train resulted in the opening up of the great land masses of the world. Moreover, the development of ocean routes had, from the sixteenth century onward, shifted the centre of economic and political power from the lands bordering inland seas to those bordering the Atlantic Ocean; in the nineteenth the invention of the railway train gave new opportunities and a new importance to inland countries such as Germany and Russia. Let us study these changes in greater detail.

If we look at a map of Africa in 1800 we shall find marked on it a few coastal towns and a few rivers, with their upper reaches sketchily indicated. In the greater part of the interior of the continent nothing is shown, for about it nothing was known. It was a great unexplored land, unexplored since, except adventure, little was to be gained by exploring it.

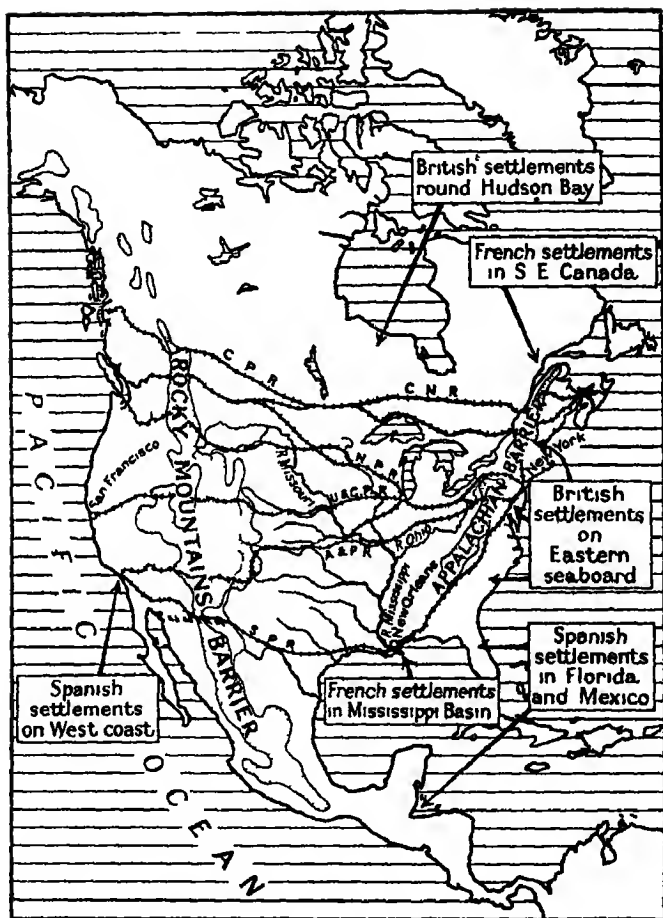
The reasons for the neglect of Africa are not far to seek. Geographically Africa is a vast tableland, dropping rapidly down to sea-level close to the coast. As a result, unlike the rivers of China which are navigable by large steamers

a thousand miles from their mouths, the rivers of Africa are not natural routes from the interior, down which its products can be brought to the coast for distribution to the rest of the world. Nor was it possible to any great extent for animals to be used for purposes of transport, as along the great trade routes of Central Asia. In many parts of Africa the deadly tsetse fly made animal transport well nigh impossible; goods had to be carried on the backs and heads of natives. The ships of Europe, except for those which stopped to collect such valuable commodities as slaves and ivory brought to the coast by traders, sailed by on their way to the Indies.

The coming of the railway train made possible the opening up of this vast continent; by its means the products of the interior could be brought down easily and cheaply to the ocean seaboard. As the Industrial Revolution progressed, as the machines of the industrial countries of Europe turned out at increasing speed greater and greater quantities of manufactured goods, new markets and new sources of raw materials became increasingly desirable. Africa was explored, penetrated and parcelled out among the industrial nations of Europe. The map of Africa was, by 1900, a coat of many colours, in which the red of the British Empire predominated.

The expansion of the United States of America from a collection of states on the Atlantic seaboard into a great, compact and powerful nation occupying half the North American continent, was also the direct result of the invention of the railway train. The great rivers of the United States are separated from the eastern states by mountains. They were of little use in linking up the eastern states facing the Atlantic and Europe with the interior of the continent. During the nineteenth century, however, railways were steadily driven over mountains and rivers, across the Western plains and the Rockies, until the Atlantic was linked up with the Pacific.

One could tell, were there space to do so, of similar



**FIG 26—HOW RAILWAYS HAVE OPENED UP THE NORTH AMERICAN CONTINENT**

Note the early settlements are on the coasts and that the two mountain barriers, which run north and south, prevented communication between east and west.

happenings in Canada and in South America, of the opening up of Central Asia by the Trans-Siberian Railway, of the significance of the railway lines across the Caucasus and Caspian Mountains and of the effects of railway construction on the ancient civilisation of China.

In our own times a further invention, that of the internal combustion engine and the motor car, has given increased opportunities for the penetration and exploration of the great land masses of the globe.

During the Oceanic stage of European development political and economic power lay with those states bordering on the Atlantic. The invention of the railway train brought two nations, which had previously been of comparatively small importance, into prominence.

At the beginning of the railway age, Germany was a collection of small, disunited states. The railway train not only helped to make her into a united nation, it also enabled her to develop her industries and natural resources so that, during the nineteenth century, she rose to the position of being economically one of the most important European states. Through her territory pass the main railway routes connecting eastern and western Europe. Along these routes goes much of the traffic which once went by sea. In addition to being an exporter of her own natural and manufactured products, she has thus become the great distributor of Central Europe.

The railway has also played a not inconsiderable part in the rise to importance of Russia. Even though a corrupt and backward government retarded her progress during the nineteenth century, the railway enabled her to send out her products to the outside world along routes which were not blocked up for several months of the year by ice. The present Russian government realises the necessity of railway expansion in order to connect up Russia's widespread industrial areas and under it the construction of railway lines goes on apace.

One cannot emphasise too strongly the importance of the

discovery of steam power and the invention of the railway train on the world of our time. Great tracts of until then useless land have been made available for profitable cultivation. Vast wheat fields, coffee plantations and rubber groves have been planted, the products of which can be brought down to the coast and carried by ocean-going steamers to the parts of the world which need them. Ore from the iron mines in the vicinity of which no coal exists can be brought to the coal necessary to smelt it. By steamer and railway, train the raw materials of distant lands can be transported to the manufacturing centres; by them the finished goods can be distributed to every corner of the world.

We have seen in an earlier section of this book how, as a result of these developments, the economic life of every part of the world has become inter-connected, each part depending on the other for the necessities and luxuries of life. These developments had, too, important political results.

Before the invention of this new form of land transport the only territories worth acquiring were islands and coastal strips. As the railway train enabled the interiors of the great continents to be reached, every corner of the world became valuable. The development of mass production, moreover, demanded sources of raw material and markets for the vast flow of manufactured goods turned out. The industrial nations who needed these sources of raw materials and markets started a scramble for all the unclaimed parts of the earth. What has been called the Age of Imperialism began.

The desire on the part of the industrial nations to acquire territory was bound to lead to friction between them. A good deal of give and take among the interested states, however, for a long time prevented this friction from resulting in war. Though, in 1904, the expansion of Russia through Siberia towards the Chinese coast led to the outbreak of hostilities with Japan, the latter part of the nineteenth

century and the early years of the twentieth century were periods of peace in Europe. Conditions were being created, however, which eventually tumbled Europe into a war which shook the world. Of the relations of the European nations with each other and of the events which led up to the Great War of 1914 we must now speak.



## CHAPTER 30

### HOW FEAR AND DISTRUST AMONG THE NATIONS LED TO WORLD WAR

**T**HE hot summer of 1914 saw the beginning of a war which eventually spread over the whole world. It arose from two main causes. Fear and distrust among the nations of Europe had led to the formation of rival groups linked together by secret alliances so interconnected that hostilities once started could not be prevented from quickly involving the whole continent. Imperialistic ambitions and the desire among European states for colonies and concessions, markets and raw materials had resulted in rivalries liable at any time to lead to war.

To understand the events which precipitated the conflict, we must examine what had been happening in Europe during the last decades of the nineteenth and the opening years of the twentieth century.

In the extreme south-east corner of Europe lay the apparently dying Turkish Empire. It had been dying for a long time. Once it had extended beyond the Danube into Hungary; by the middle of the nineteenth century not only had its Hungarian territories been conquered by Austria but also several groups of Christian peoples, once part of the Turkish Empire—Greeks, Serbs, Roumanians and Bulgarians—had made themselves independent. Four of the great European powers were interested in what would happen to the remaining Turkish territory when the Turkish Empire finally collapsed. They were particularly concerned as to who should possess the Turkish capital, Constantinople, which not only controlled the entrance to the Black Sea

but also occupied an important strategic position in the Eastern Mediterranean.

The power which most desired to possess Constantinople was Russia, anxious for an ice-free outlet for her great land-locked territories. Neither Great Britain nor France, however, wished to see Russia occupying so commanding a position. Both had extensive trading interests in the Eastern Mediterranean and, after the Suez Canal was opened, Great Britain felt that a hostile power at Constantinople might threaten her communications with the Indian Ocean. Russia's desire to move southward through the Balkans to Constantinople roused, too, the antagonism of Austria who also wished to expand in that area. The Austrian Empire, moreover, embraced a number of different races, subject to, but not very happy under, the rule of the government of Vienna. The rulers of Austria feared that if the great Slav empire of Russia should push forward her boundaries into the Balkans, the Slavs within her own borders might be attracted towards their brother Slavs outside.

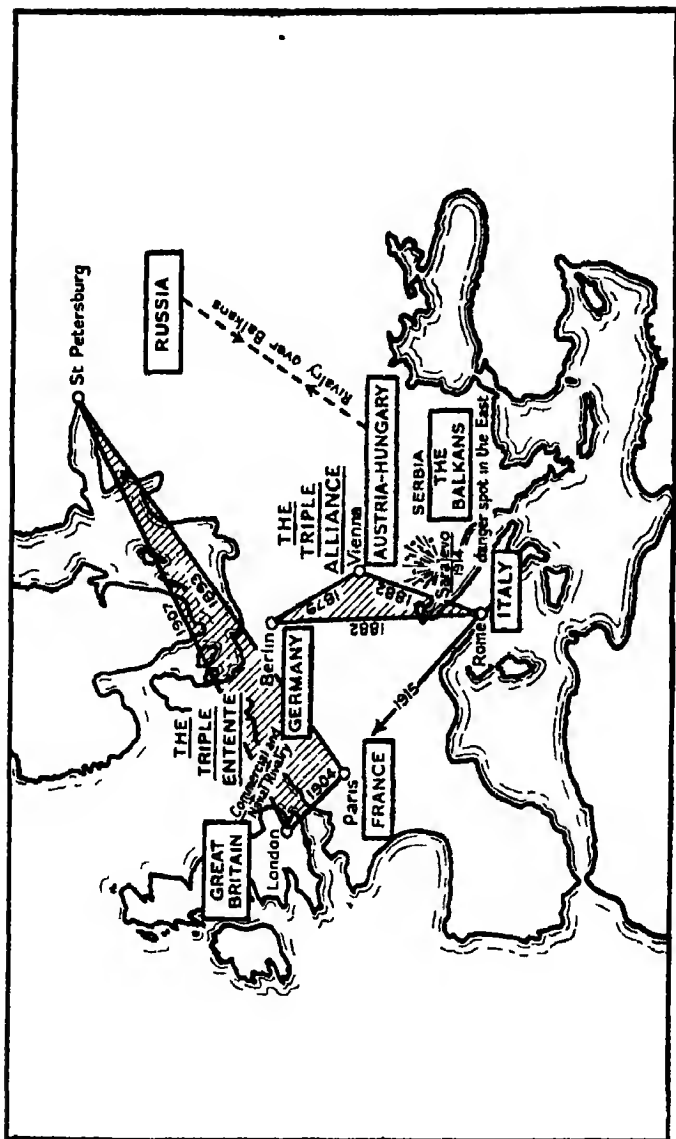
The Balkans were, therefore, a danger spot. The semi-civilised Balkan nations, Serbia, Bulgaria, Roumania and Greece, were always liable to start a war among themselves or with Turkey; the greater European powers watched each other with jealous eyes lest one of them should gain an advantage in that troublous area.

We must now turn our attention to Western Europe. In 1871, after a successful war with France, Bismarck, the Chancellor of Prussia, had succeeded in uniting Germany under the Prussian King, who took the title of German Emperor. In 1879, in order to guard the new Germany against attack, he made a secret defensive alliance with Austria, known as the Dual Alliance, by which each promised to aid the other if attacked by Russia. Three years later, in 1882, Italy joined the combination, thus forming the Triple Alliance. The alliance with Italy included a clause whereby if Germany were attacked by France Italy would

come to her help. Bismarck still desired to keep Russia's friendship as long as he could and, in spite of the Austrian alliance, he was still able to arrange a series of treaties with her. As we have already seen, however, Russia and Austria were rivals in the Balkans and as time went on it became increasingly clear to Russia that, should this rivalry result in war, Germany would take the side of Austria rather than hers. In 1890, shortly after the fall of Bismarck from power, she refused to renew her treaty with Germany and three years later entered into the Dual Alliance with France. This Franco-Russian Alliance was directed against an attack on France or Russia by Germany; it laid down that if either were attacked by Germany the other would come to her help.

Thus, through mutual fear and distrust, Europe had become divided into two armed camps; on the one side was the Triple Alliance of Germany, Austria and Italy; on the other the Dual Alliance of France and Russia.

Of all the Great Powers only Great Britain stood aloof. Throughout the nineteenth century she had followed a policy of isolation, refusing to be drawn into European quarrels. On the whole, however, she was friendly to Germany and, since they were her colonial rivals, antagonistic to Russia and France. Since she had become a united nation, however, Germany had advanced in wealth and power and was becoming an increasingly dangerous rival to the industrial and commercial supremacy of Britain. Like other industrial nations she began to look round for colonies. Unfortunately for herself she had started a little too late; she gained some territory in Africa and the Pacific but most of the desirable parts of the globe had already been occupied, and Great Britain had got the lion's share. In order to guard and extend her colonial empire she began to build a navy and to challenge Britain's supremacy on the sea. Thus the old friendship between the two countries declined. Germany came to regard Britain as the nation which stood in the way of her becoming a great colonial power, Britain



**FIG 27--THE BUILDING UP OF ALLIANCES AND THE OUTBREAK OF WAR**

in her turn came to regard Germany as a danger to her position in Europe and the world.

Fear of Germany at length impelled Great Britain to abandon her policy of isolation ; in 1904 she patched up her quarrels with France and signed the Dual Entente. Three years later, in 1907, she made her peace with Russia and the Triple Entente came into being. These Ententes were not, however, alliances in the proper sense ; they did not bind Great Britain to come to the help of France or Russia if either were attacked. Nevertheless, it seemed increasingly probable that, in the event of a European War, Great Britain's fear and jealousy of Germany would induce her to take the side of France.

Several times between 1907 and 1914 war nearly broke out. In 1908 Austria definitely annexed the two Turkish provinces of Bosnia and Herzegovina, which she had administered since 1878, to the great indignation of Serbia who desired them for herself. Serbia dare not go to war with Austria unless she could rely on the help of Russia. Russia was not, however, willing at this stage to risk a conflict with Germany, and so the war clouds blew over.

In 1911 France, who had been absorbing Morocco, in order to quell the disorders which had broken out there, marched an army to the capital, Fez. Germany also claimed to have interests in Morocco but was willing to give them up if France would compensate her by handing over part of the French Congo. To emphasise her claims she sent a cruiser to Agadir, a Moroccan port on the Atlantic coast. Great Britain's fears were roused lest Germany intended by this action to make a naval base on the Atlantic and a vehement speech by Mr. Lloyd George, which nearly brought on a European war, left a firm conviction in many German minds that Great Britain was the chief barrier to the realisations of Germany's ambitions.

In 1912 war broke out among the Balkan powers. Though again a European war was averted, in 1913 there was everywhere an uneasy fear that a European conflict was not

far off. Every nation was suspicious of every other; all set to work to increase their armies and prepare for a war which they were convinced would soon come.

In June 1914 the spark was flung into the powder barrel. The heir to the Austrian throne was assassinated by some Serbian students—though there was no proof that the Serbian government was implicated—at Serajevo, a town in Bosnia. Austria, afraid of the growing power of Serbia, was determined to use this incident as an excuse for crushing her before she became yet stronger. Russia, if she wished to keep her influence in the Balkans, dare not abandon Serbia to her fate; when Austria attacked Serbia she in her turn declared war on Austria. In spite of tremendous efforts to preserve peace the conflict spread until, in accordance with the terms of the secret alliances they had signed, Germany and France were involved.

Great Britain for a few days hung back, but when Germany marched troops into Belgium, the neutrality of which she had guaranteed, she entered the war on the side of France and Russia. Italy did not come into the war until 1915 and then, since she felt she could gain most by such a course, on the side of France and Great Britain. Other countries, Japan, Turkey, Roumania, Bulgaria and Portugal, were drawn in; in 1917 the United States of America flung her weight into the conflict.

For over four years Europe was drenched in blood, millions were killed and maimed, the normal life of nations was brought to a standstill. At last in the autumn of 1918 the guns ceased to fire. The statesmen of Europe were faced with a large number of difficult problems to solve. How they solved them and what followed from the solutions they reached will be told in the following chapters.

## CHAPTER 81

### HOW THE NATIONS MADE PEACE

**T**HERE were high hopes among many in Europe that the peace would be the beginnings of a new order of justice and good-will among nations. Before the war had ended Woodrow Wilson, the American President, had put forward four principles and fourteen points which should determine the character of the peace. It was to be based on justice to all peoples; provinces were not to be bartered about as pawns in a political game, but every territorial settlement was to be in the interests of the populations concerned; new frontiers were to be drawn on the principle of nationality and race. All states were to reduce their armaments to the lowest possible level, secret treaties were to be abolished for ever, economic barriers were to be removed, the freedom of the seas both in peace and war was to be guaranteed to every nation. Finally a League of Nations, which should prevent war in the future, was to be set up. On the assumption that such principles would guide the peacemakers Germany had surrendered. She was soon to find herself disillusioned.

When the representatives of the victorious powers, for the vanquished were excluded altogether, met at Paris in 1919, it soon became clear that the principles which Wilson had laid down were not accepted by the majority of the Allied statesmen. Clemenceau, the leading statesman of France, was more interested in so crippling Germany that she would never be able to attack France again than in creating a new world. All that Japan wanted was to keep her gains in China and the Pacific. Italy was determined to

get the territories promised to her in the secret treaties which had drawn her into the war and as much more as she could persuade the victors to give her. Great Britain had just had a General Election in which the popular catch-cries of "Make Germany Pay" and "Hang the Kaiser" had been more effective in securing votes than schemes for the construction of a better and a more peaceful Europe.

Thus the final peace settlement bore little resemblance to that which President Wilson had contemplated.

Germany lost a great part of the coal and iron on which her industrial system had been built up; Alsace-Lorraine was restored to France, the Saar coalfields were to be held by France for fifteen years (they were returned to Germany in 1935), while, as the result of a plebiscite, i.e. a vote of the people on which country they wished to belong to, held in 1921, part of the Silesian coalfield went to Poland. Germany was compelled to hand over all her war and merchant ships to Great Britain and the U.S.A.; she was deprived of all her colonies; her army was limited to 100,000 men, without aeroplanes, tanks or heavy guns; her territories were cut in two by a corridor, the Polish corridor, designed to give the new state of Poland an outlet to the sea; and, in addition, she had to declare that she was alone guilty for the war and was forced to pay to the victors Reparations, which were fixed in 1921 at the impossible figure of £6,600,000,000. Though Germany protested against the severity of the terms, at Versailles, in June 1919, she was obliged to sign the treaty.

The terms imposed on the other defeated powers were nearly as severe. Austria, by the Treaty of St. Germain, was reduced to a small land-locked state with few economic resources. Her capital, Vienna, the old centre of the Austrian Empire, was far too big a city for so small a country. The countryside could neither produce enough to feed the city nor buy the goods the city could make. Austria's economic salvation depended on union with either Germany or



Hungary, but, by the treaty, both these courses were forbidden her.<sup>1</sup> By the Treaty of Trianon, in 1920, Hungary was reduced to less than a third of her original size.

By the Treaty of Sèvres in 1920 the greater part of the Turkish Empire was divided up among Greece, Italy, the Armenians and the Kurds, while an Allied Commission to control Constantinople, the gateway to the Black Sea, was set up. The Turkish Nationalists, under Mustapha Kemal,<sup>2</sup> however, refused to accept the treaty. War again broke out and the victorious Turks were able to secure a new treaty, the Treaty of Lausanne, in July 1923, which gave them Constantinople and Eastern Thrace in Europe and Anatolia in Asia Minor.

In judging the treaties imposed on Austria and Hungary one must remember that, even if they had wished to do so, the Allies could not restore the old Austro-Hungarian Empire. Under the stress of the war it had collapsed and Poles, Czechs, Roumanians and Serbs had, without asking the permission of anyone, set up nationalist governments in its place. These new governments could not be put down except by force and while the Allies might, since they had large amounts of capital invested there, be willing to send troops to Russia to overthrow the Bolsheviks, who had repudiated the debts of the Czarist government, they were too weary of war to consent to send troops into Austria-Hungary. Moreover, to have interfered with these new nations would have been contrary to the principle of *self-determination*, that is, the right of peoples to have the government they wish and not to be forced to live under rulers of a different race from themselves, which was one of the main principles of the Peace Conference.

<sup>1</sup> This sentence was written before the union of Germany and Austria in March, 1938.

<sup>2</sup> Mustapha Kemal, later known as Kamâl Atatürk, was President of the Turkish Republic from 1923 to 1938. He was one of the most interesting of the new rulers of Europe and completely reorganised and modernised Turkey.

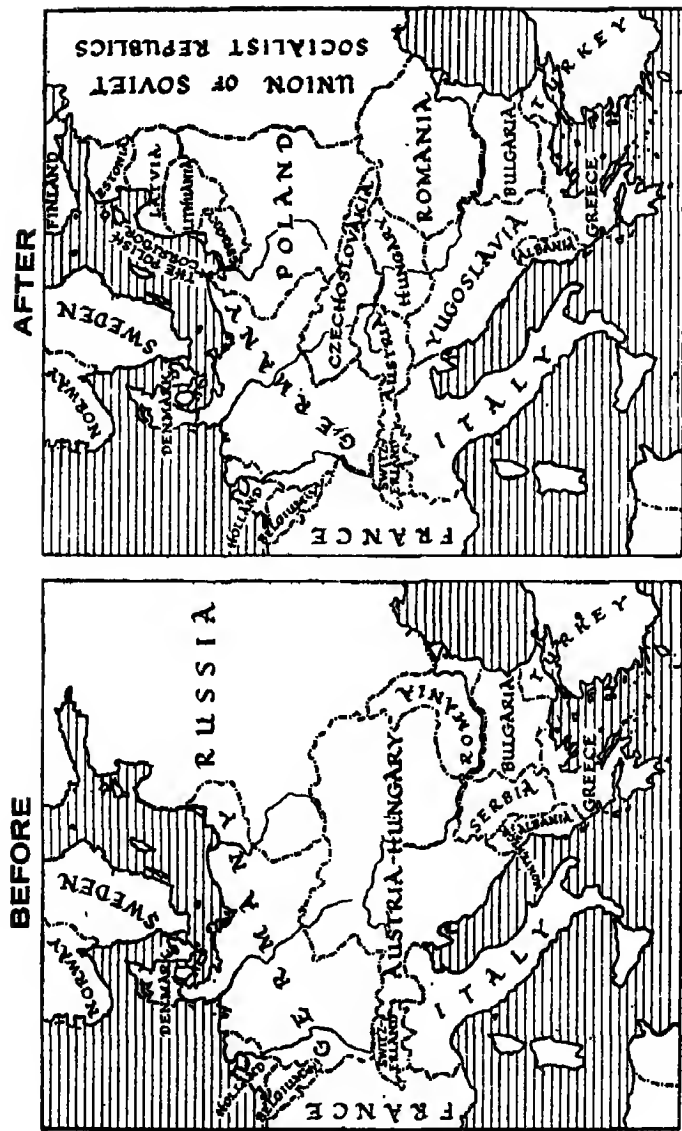


FIG. 28—EUROPE BEFORE AND AFTER THE WAR

Although some of the new states were allowed to include within their boundaries peoples of alien race, one must acknowledge that the new boundaries drawn by the Peace Treaties were on the whole more nearly in accordance with racial principles than those which had existed before the outbreak of war. These boundaries, however, sometimes broke up economic units which, for the welfare of the inhabitants, it was equally important to preserve. Austria was the economic centre of the old Austrian Empire; after the war she found herself separated from the territories on which she was economically dependent. Silesia is a natural economic unit; yet, on the principle of self-determination, it was divided up between Poland and Germany. The iron fields of Alsace-Lorraine are economically connected with the coalfields of the Ruhr; the boundary between France and Germany now separated them one from the other.

A comparison between the map of Europe before and after the war will show what great changes had taken place. The territory of Germany decreased in size. Alsace-Lorraine was given to France, another portion of her lands went to Denmark, another to Poland. The old Empire of Austria-Hungary disappeared and Central and Eastern Europe was completely altered. A new Poland was recreated out of territories which, in 1914, had been German, Austrian and Russian. A new state, Czechoslovakia, came into existence. Serbia, by the addition of lands previously Austrian, became the much larger Yugo-Slavia. Roumania increased in size at the expense of Austria and Russia. Also at the expense of Austria, Italy expanded northward and along the eastern shores of the Adriatic. Four new states, Finland, Estonia, Latvia and Lithuania, on the shores of the Baltic, occupied lands which were once part of the Empire of the Russian Czars.

Looking further afield, we find that Germany's colonies and some of the lands once belonging to Turkey were distributed among the victorious powers as mandates, that is, backward territories entrusted to more advanced nations for

development under the control of the League of Nations. Palestine, Transjordan and Iraq, as well as Tanganyika, part of Togoland and of the Cameroons, went to Great Britain; Syria and the remainder of Togoland and of the Cameroons fell to the share of France. Japan and Australia were given the former German possessions in the Pacific, while the Union of South Africa took over the administration of German West Africa. In view of what has happened since, it is perhaps unfortunate that, in the division of colonial spoils, Italy got little. It might indeed have perhaps been better for European peace if Germany had been allowed to retain her colonics.

How unsatisfactory the settlement was, the years which followed it have proved. It is very doubtful, however, whether in 1919, any better peace could have been made. After four years of war men were not normal; they were unable to think clearly. There were many conflicting claims to be resolved and little time to thrash out these claims properly. In many parts of Europe famine stalked abroad. Some countries were in the throes of revolution. Bolshevism had spread from Russia to Germany and Hungary and the statesmen of Paris were fearful lest it might spread further still. A quick peace was essential, even though it might be an unsatisfactory one.

Of the Peace Settlement General Smuts said :

"It was not Wilson who failed. The position is much more serious. It was the human spirit that failed. It was not the statesmen that failed so much as the spirit of the people behind them. Knowing the Peace Conference as I knew it from within, I feel convinced in my own mind that not the greatest man born of woman in the history of the race could have saved the situation. . . . Sincerely as we believed in the moral ideals for which we had fought, the temptation at Paris of a large booty to be divided proved too great. In the end not only the leaders but the people preferred a bit of booty here, a strategic frontier there, a coalfield or an oil well, an addition to their population or their resources to all the faint allurements of the ideal."<sup>1</sup>

<sup>1</sup> Quoted in Millin: *Smuts*.

Though President Wilson had been beaten on many points, in one thing he was successful. He was able to insist that the Covenant of a League of Nations, which he hoped might gradually be able to correct the defects in the treaties and bring permanent appeasement to the world, should be incorporated into each of the treaties of peace.

## CHAPTER 32

### THE FORMATION OF THE LEAGUE OF NATIONS

**T**HE idea of a League of Nations is not a new one. The Popes of the Middle Ages dreamed of a Holy Roman Empire of Christian nations, held together by a common religious faith. At the beginning of the sixteenth century the French statesman, Sully, put forward a plan whereby the nations of Europe were to join together under the leadership of France. In the 18th Century the German philosopher, Emmanuel Kant, published a project for bringing about universal peace, while after the Napoleonic Wars a sort of League of Nations, the Holy Alliance, though it included the Great Powers only, came into actual being. By the Holy Alliance the Powers agreed to meet together in Congresses to settle the problems of Europe. After about ten years the alliance collapsed and Europe returned to the old system whereby each country conducted its own international affairs in its own way.

The League of Nations, which was set up by the Peace Treaties, was more ambitious than anything that had previously been thought of. It was designed to include the whole world and to be a permanent organisation for the prevention of war and the bringing about of international understanding and co-operation.

The Covenant of the League consisted of twenty-six articles, which explained how the League should work. The organs of the League were to be an Assembly, in which all the members of the League were to have seats, and which was to meet regularly at stated intervals; a Council, composed of permanent representatives, drawn from the Great

Powers, and elected representatives, of whom Belgium, Brazil, Greece and Spain were the first, chosen by the Assembly; and a permanent Secretariat, which was to be a sort of international Civil Service. The headquarters of the League were to be at Geneva in the neutral state of Switzerland.

Membership of the League entailed certain obligations. Each member of the League promised to respect and preserve the territory and independence of other members. Disputes were to be submitted to the League for arbitration and no member was to resort to war until three months after the judgment of the League had been announced. A member of the League who resorted to war against another member was to be regarded as having committed an act of war against every other member. Members were to assist the attacked state by breaking off diplomatic relations with the aggressor, by imposing financial and economic sanctions, that is, refusing to lend the aggressor money or to trade with him, and in the last resort by giving military and naval assistance to the attacked state. A Permanent Court of International Justice, before which disputes could be brought, was also set up. All treaties were to be registered with and published by the League and no treaty not thus openly declared was to be considered binding. It was hoped by this clause of the Covenant to prevent the evils of secret diplomacy which had helped to cause the war of 1914. Out-of-date treaties were to be brought up by the League for review.

Another clause of the Covenant made it the duty of the Council to draw up plans for disarmament and the control of the manufacture of arms. The members also pledged themselves to co-operate in the improvement of international labour conditions, in the prevention of disease, in the abolition of the traffic in opium and in other matters which concerned the well-being of the world as a whole.

Theoretically, membership of the League was open to

# DISTRIBUTION OF NATURAL RESOURCES AMONG SEVEN GREAT POWERS

	BRITISH EMPIRE	UNITED STATES	U-S-S-R	FRANCE	GER- MANY	ITALY	JAPAN with Man- chukuo
Wheat	● ●	●	● ● ●	●	●	●	
Wool	● ● ● ●	●	●	●			
Cotton	● ● ●	● ● ● ● ●	●				
Rubber	● ● ● ●						
Oil		● ● ● ● ●	●				
Coal	● ● ●	● ● ● ●	●	●	●		●
Iron	●	● ●	● ●	● ● ●	●		
Copper	● ● ●	● ●			●		●
Tin	● ● ● ●						
Nickel	● ● ● ● ● ● ● ● ●						
Man- ganese			● ● ● ● ● ●				
Lead	● ● ● ● ●	● ●			●		
Potash		●		● ●	● ● ● ● ● ●		
Utilised water- power	● ●	● ● ●	●	●	●	●	●

Each counter represents approximately 10% of world's production in 1934. Germany has increased her resources since 1934 by the acquisition of the Saar and Austria



all civilised states, but, in spite of the efforts of America and Great Britain, the enemy countries were for the time being excluded. Russia, still in the throes of the Bolshevik revolution, was not invited to be a member.

Thus, in brief, was the Covenant of the League of Nations, which formally came into existence in January 1920. It has been described by one historian, writing in 1923, as "the most hopeful and ambitious experiment in the story of human organisation", and indeed it represented a magnificent ideal, no less than the substitution of justice and law for war in deciding quarrels between nations. President Wilson returned to the United States somewhat comforted for his failure to make the peace he had desired by the hope that, through the League of Nations, the defects of the peace treaties would be gradually remedied.

Hardly had the League come into existence than it received its first blow. The American people refused not only to ratify the Peace of Versailles but also to join the League. As we shall see later, the United States had, during the War, become the wealthiest and most powerful nation in the world. A League without the United States was only half a League; it was crippled from the beginning.

It may be appropriate before we go on to study the Europe of the post-war years to consider how far the League has come up to the high hopes which its establishment raised.

In considering the success or failure of the League we must realise that it has two functions. The first is to increase international co-operation and understanding. In this it has been partially successful. The League has been described as a club and a newspaper. The regular meetings of the Assembly have brought the statesmen of the world together to discuss their common problems in a way that would not have been otherwise possible. The Secretariat has collected and made available information on every subject under the sun. Moreover, the publicity the League's reports have given to existing abuses has helped in some

degree to control them. Nations are less likely to commit cruel and unjust acts if they know that their deeds will be blazoned forth to the world than if these cruel and unjust acts could be done in secret. The League has also done good work in making loans to countries in financial difficulty, in organising relief works, in securing co-operation in the prevention of disease and in helping to destroy such abuses as the opium trade and the white slave traffic. In summing up the work of the League we must not forget this day to day, perhaps rather humdrum, work of all sorts on which, since its beginning, it has been engaged.

The League was, however, primarily intended to be an organisation to prevent war and to bring about peace among nations. In this part of its work it has failed. That is not to say it has never prevented war breaking out. To mention but one case, in 1925 it was able to prevent the outbreak of war between Greece and Bulgaria. It has, however, met with three big failures. When Bolivia went to war with Paraguay to gain the Gran Chaco, it was powerless either to prevent or stop the war. When in 1931, Japanese troops invaded the Chinese province of Manchuria and eventually annexed it, the League was powerless to restrain the aggressor. A yet greater blow to the prestige of the League occurred in 1935, when Italian armies invaded the semi-barbarous state of Abyssinia which, rightly or wrongly, had secured election as a member of the League. Under the terms of the Covenant Abyssinia appealed to the League. Manchuria and the Gran Chaco were far away but Abyssinia was close to Europe. If the League failed to support Abyssinia, would any nation ever have confidence in it again? This time the League went further than it had ever done before. Italy was declared the aggressor and economic sanctions were imposed. Some nations wished to go the whole way and restrain Italy by force of arms. Others were afraid that such a course would result in a general European war and, since the only two

great Powers left in the League, France and Great Britain, shrank from a League war with Italy, Italy was able to defy the League and annex Abyssinia.

Thus the League has proved itself unable to restrain a Great Power from going to war if it is determined to do so. Nor has it shown itself capable of protecting one of its members from aggression. By 1936 it had become too weak to give any effective help in solving the problems raised by the Spanish Civil War.

The failure of the League may be attributed to several causes. In the first place it does not include in its membership all the Great Powers. The U.S.A. has never been a member. Germany, Italy and Japan, though at one time members, have withdrawn from it. Moreover, the three Great Powers which support the League, Great Britain, France and the U.S.S.R. all possess vast resources and extensive territories; those outside it, with the exception of the U.S.A., are deficient in colonies and in sources of raw materials. So long as territory is so unequally divided, it is unlikely that the "Have-Nots" will be enthusiastic supporters of a League which tends to maintain the present distribution of land and resources. Nor has the League proved itself capable of removing those sources of friction, such as the ill-advised frontiers drawn by the Treaty of Versailles, which are potential causes of war.

In the second place the League has no coercive power. Its decisions can only be enforced if its members are willing to enforce them. So far they have proved unwilling. There are some who think that the League can never be really effective until it has at its command some form of international police force, strong enough to compel a nation to obey its decisions whether it wants to or not.

## CHAPTER 38

### THE AFTERMATH OF WAR

**A**S we have already seen, the war destroyed the Europe that had existed in 1914. Before it had ended Russia had flung off the rule of the Czars. Of this Russian revolution more will be told later. Just before the Armistice the German Emperor, William II, was persuaded to give up his throne and to go into exile in Holland. The Austrian Empire had collapsed and Czechs, Poles, Serbs and Roumanians were engaged in setting up new independent states or in adding as much territory as they could to that which they already possessed. Europe was filled with famine and revolution. The agony of starvation and despair through which the peoples of Central Europe passed in the post-war years is a pathetic story. Only slowly and painfully were more normal conditions restored. We must now try to describe this new Europe in greater detail.

It is difficult to say which nations suffered most, but perhaps none went through more severe trials than Austria and Hungary. The position of the new Austria was an impossible one. Vienna, with its civil servants, railway officials, doctors and professors, depended for its existence on being the capital of a large empire. That empire had now fallen to pieces. For a large proportion of the population there was nothing to do. The new state had not enough resources to feed itself and heavy tariff barriers set up round it prevented either the import of raw materials or the export of manufactured articles. There was only one thing left to do, to starve—and Austria starved. Conditions became

so bad that at length the Allies, who did not wish Austria to fall into the hands of Germany, to whom she was racially akin, were compelled to provide loans to prevent her from utterly collapsing.

Hungary went through even worse times, for to starvation were added invasion and revolution. In order to secure favourable terms from the Allies she had expelled her Hapsburg rulers. Poles, Czechs and Roumanians, always antagonistic to the Magyars of Hungary, had taken advantage of the chaos of 1918 and 1919 to seize as much Hungarian territory as they could. Her complete surrender to the Allies helped her little. When her new boundaries were determined by the statesmen of Paris, she found herself deprived of her mineral resources, reduced to a small agricultural state and with some three million of her population handed over to the nations which encircled her.

The realisation of the fact that surrender had availed nothing resulted in a Communist revolution, led by Bela Kun. Bela Kun set to work to reorganise Hungary on the same model as that which was being worked out by the Russian Bolsheviks. A Communist Hungary did not, however, suit the plans of the Great Powers. With the aid of the Roumanian army, Bela Kun was driven out and a reactionary government under Admiral Horthy, who proclaimed himself Regent for the absent Hapsburg King, was set up.

Three states encircle Hungary, Yugo-Slavia, Roumania and Czechoslovakia. Yugo-Slavia is pre-War Serbia increased in size by the addition of part of the old Austria-Hungary. She is still comparatively poor in resources and her attempts to absorb the Croats and Slovenes of her annexed provinces have not been very successful.

Roumania gained much from the War. Large promises were made to her to bring her in on the side of the Allies. She proved a broken reed and, in May 1918, made peace with Germany. Shortly before the Armistice, in November 1918, however, she again declared war, with the result that

the Peace Treaties and her seizure of the province of Bessarabia from Russia gave her territories, rich in agricultural land and oil wells, twice the size of those she possessed before.

Czechoslovakia, unlike most of the other new states, had no revolutions. Under the efficient rule of her first President, Masaryk, and her foreign Minister, Beneš, who subsequently succeeded him, and owing to the richness of her natural resources, she became an important and, on the whole, prosperous industrial state, but her geographical position between Germany and the U.S.S.R. was a dangerous one, while she included within her boundaries some 25% of men and women of German race, not happy under Czech rule.

To the north of Czechoslovakia lies Poland. Poland, which had been a nation since mediaeval times, was destroyed by Russia, Austria and Prussia in the eighteenth century. Throughout the nineteenth century she had always longed and striven for independence. By the Peace Treaties a new Poland was created, linked to the sea by the famous "Polish corridor", a strip of land cutting East and West Prussia into two parts. The new Poland was not content with what the Allies were prepared to give her. Pilsudski, the man who has played the most important part in post-war Polish history, was able, with the help of France, which regarded Poland as a valuable bulwark against both Bolshevik Russia and defeated Germany, to take advantage of the civil war which followed the Russian revolution and to seize a great slice of Russian territory in White Russia and the Ukraine. Later the weakness of the new state of Lithuania enabled her to annex Lithuanian territory also.

Let us now turn westward and see what had happened in Germany. As we have already seen, she had lost much territory. She had driven out her old rulers and, in spite of the fact that she was starving and torn by Communist revolutions, she managed, by August 1919, to bring into existence what is known as the Weimar Constitution,

which turned Germany into a parliamentary democratic republic. By the Weimar Constitution there was to be a Reichstag, or parliament, elected by the whole people; a Chancellor and a Cabinet, like the English Prime Minister and Cabinet dependent on the Reichstag; and a Reichsrat, a sort of Upper Chamber representing the German states. At the head of the Republic was to be a President, with little power in normal times but with large powers in times of crisis. It was perhaps the most democratic constitution which the world had ever seen.

By the Peace of Versailles Germany had promised to pay to the Allies reparations for the damage done in the War, which, as we have already seen, were in 1921 fixed at the impossible figure of £6,600,000,000. Some Germans wished to refuse to pay reparations at all, but the party which advocated that an attempt should be made to meet the Allies' demands won the day and the first instalments were punctually paid. But the strain imposed on the economic life of Germany by the effects of the war, by the loss of her natural resources through the Peace of Versailles, to which was now added the attempt to meet reparation payments, so affected her financial organisation that the mark began to fall in value. The whole economic health of a nation depends on its financial system working harmoniously, and the Germans asked the Allies to allow them a three years breathing space, during which time no reparations should be paid, in order that they might put their house in order.

France had suffered much during the War. Her country had been invaded and her lands ravaged. Her chief desire after the War was ended was to ensure that she should never be invaded by Germany again. She tried to persuade the Allies to allow her to extend her frontiers to the west bank of the Rhine. Great Britain and America refused. In the years following the war, therefore, she concentrated her energies on keeping Germany weak. She hoped that Germany, by failing to pay reparations, would give her

an excuse to invade German territory. When Germany asked for a breathing space she refused to give her consent and, using as a pretext the lateness of Germany in delivering a consignment of coal and iron due from her as reparation payment, in January 1923, in spite of the strong disapproval of Great Britain, she sent a French and Belgian army to occupy the important German industrial area of the Ruhr on the right bank of the Rhine.

The result of the Franco-Belgian occupation of the Ruhr was that German currency collapsed completely. The mark, which before the War was worth a shilling, fell in value until, in August 1923, a million mark note was not worth a penny. This meant that Germans who had invested their savings found that they had all disappeared. No one knew what his salary or wages would buy from day to day. The fall in the value of the mark caused untold misery among the German people, who had already suffered so much. Moreover, the French found that they themselves instead of gaining were losing money through the occupation of the Ruhr. It became increasingly clear to the Allied statesmen that the policy of trying to punish Germany, which had been followed since 1918, might with advantage to themselves be replaced by one which would enable her to become prosperous once more.

Under the wise guidance of Stresemann, who became Chancellor at the end of 1923, Germany convinced the Allies that she really desired to honour her debts. The currency was stabilised by the issue of a new mark, the Renten mark, which was again worth about one shilling on the international exchanges. This stabilisation was brought about at tremendous cost. All Germany's internal debt was wiped out and all the numerous people who had money invested in government securities lost everything. In 1924 a committee under the chairmanship of Charles G. Dawes, an American banker, met to fix reparations at a figure which it might be possible for Germany to pay.



# THE POST

1918 -

	1918	
Vote given to women	1919	Armistice signed
		Peaces of Versailles and St Germain
	1920	League of Nations founded U.S.A. refuses to join league
		Peace of Trianon
	1921	
Irish Free State created		Washington Conference
	1922	
Civil disobedience in India		Fascist march on Rome Mussolini comes to power
	1923	Occupation of Ruhr
		Peace of Lausanne
	1924	
First British Labour Government		Lenin dies Dawes Reparation Plan
	1925	
Great Britain returns to Gold Standard		Kuomintang Government in China
	1926	Pact of Locarno
		Stalin dictator of U.S.S.R.
General Strike		Germany admitted to league
Dominion Status defined	1927	First Five Year Plan in U.S.S.R.
	1928	

# WAR YEARS

—1938

	1928	Boom in U.S.A.
	1929	The Kellogg Pact
		Slump in U.S.A.
	1930	
Simon Report on India		World depression spreads
	1931	
National Government formed		Revolution in Spain
Statute of Westminster	1932	Japan invades Manchuria
Great Britain abandons Free Trade Ottawa Conference		Disarmament Conference opens
	1933	
		Hitler becomes Chancellor
	1934	Roosevelt President of U.S.A
		National Recovery Act
		U.S.S.R. joins League
	1935	
Government of India Act		Saar plebiscite
		Italy declares war on Abyssinia
Death of George v.	1936	Hitler reoccupies Rhineland
		Civil war in Spain
Abdication of Edward VIII.	1937	
		War between China and Japan
Coronation of George VI. British rearmament	1938	

## CHAPTER 34

### FROM DAWES PLAN AND LOCARNO TO FINANCIAL CRISIS

**W**ITH the Dawes Plan, which recognised that Germany could not be expected to pay reparations unless she were helped to reconstruct her industries by loans of foreign capital and the signing in 1925 of the Pact of Locarno by Great Britain, France and Germany, described by the British Foreign Secretary as "the real dividing line between the years of war and the years of peace", we enter on a new era of post war-history. The policy of crushing Germany was replaced by one of helping her on the road to recovery. By the Locarno Treaty, in order to give France a feeling of security, Great Britain guaranteed her against an attack by Germany and Germany against an attack by France. Germany, led by Stresemann, now anxious for help, gave up any claim to the restoration in the future of Alsace-Lorraine, which France had gained by the Treaty of Versailles, and agreed not to build any fortifications nor have troops within a certain distance of the east bank of the Rhine. Though France would have liked her to do it, Great Britain refused to guarantee that she would prevent Germany from altering her eastern frontiers nor would Germany promise that she would accept for ever the existence of the Polish corridor.

Though the signing of the Pact of Locarno opened a new era of co-operation among the powers of Europe; it failed to give France a real sense of security. She continued her policy of alliances with Poland and the Little Entente, Czechoslovakia, Yugo-Slavia and Roumania. Nor did

Locarno result in any real measure of disarmament among the European powers. Nevertheless the years following 1925 were years of greater prosperity than those which had preceded them. Between 1924 and 1928 loans amounting to the huge figure of £720,000,000 were made to Germany. Much of the money borrowed was spent in re-equipping German industry but large sums were also lent to the German states and municipalities, which were used for such things as the building of swimming baths and workmen's flats, excellent in themselves but not likely to produce the money which would enable the loans to be repaid.

The period of prosperity was short. By 1931 the world was in the trough of a financial and trade depression deeper than any which had occurred in the post-war years. A variety of causes had combined to bring it about.

The War had upset the economic life of the world. Countries which had before the War bought the goods made by the European nations had, during it, started factories of their own; there was thus a decreased demand for European goods. Increased competition led to increased use of machinery in order to lower prices, thus necessitating fewer workers and resulting in widespread unemployment. The workers consequently got less wages and this in its turn resulted in decreased purchasing power. Moreover, owing to the concentration during the War on the production of war material, there was a shortage both of raw materials and manufactured goods. When the War ended there was a rush of production; more was grown and manufactured than could under existing world financial conditions be bought. Prices dropped, until they reached a figure at which it did not pay to produce. Finally, and perhaps most important, the existence of war debts and reparations upset the flow of international credit. Sixty per cent. of the gold supplies of the world were frozen in the vaults of the banks of the two creditor nations, the United States and France, leading to a contraction in the amount of world credit available and so to a serious decrease in the volume

of purchasing power among the nations. Such a state of affairs was bound sooner or later to have disastrous results. In 1929 the bubble of apparent prosperity burst.

In a later chapter we shall tell of the rise of the United States to the position of the richest country in the world. The United States was one of the chief lenders to Germany. In 1928 there was a boom on the American stock exchange; Americans withdrew their money from foreign countries in order to invest it more profitably in their own. In 1929 this boom was followed by a slump; Americans were not only not prepared to lend any more money to foreign countries but also began to call in the foreign loans they had already made.

Germany was hard hit, and she again asked for a breathing space during which reparations should not be paid. The United States wanted to grant her request but France opposed it. When she withdrew her opposition it was too late. Germany was faced with bankruptcy, a financial crisis occurred, there was a run on the banks and several failed.

Germany was not the only country touched by the crisis; the whole world was affected. Even Great Britain, the banking centre of the world, noted for her financial stability, went through some anxious months of crisis. World prices dropped to half what they were in 1924; a serious matter for debtor countries, since debts are in reality paid in goods and now twice the quantity of goods had to be made and sold to pay the debts; a serious matter, too, for all producers, since there is a limit below which prices cannot fall and yet allow goods to be sold at a profit. The volume of international trade decreased, for people could not afford to buy. The world presented an absurd picture of men and women starving in one place and crops being burnt in another. In order to preserve their home markets every country began to erect greater and greater tariff barriers against foreign goods: Great Britain, which for nearly a century had been a Free Trade nation, adopted

Protection. Only slowly has the world struggled out of the great depression and got back to something approaching normal trade conditions.

This world crisis and depression was the death-blow to that democratic form of government which Germany had tried to build up after the war. Bankrupt, her industries once more ruined, with millions of her population unemployed and with no hope of work, she flung overboard the type of government which had apparently failed her and entrusted her destinies to a new leader who brought to her a message of hope and recovery, Adolf Hitler.

## CHAPTER 85

### THE ADVENT OF HITLER

**T**HE history of Germany has been a chequered one. Unlike France and England she had not early developed into a national state. In the 18th century she was made up of no less than 360 independent principalities, of which Prussia, Austria and Bavaria were the most important. Moreover, since she was an inland state, with only a very small seaboard, she was little affected by the growth of industry and commerce, which played so important a part in the development of nations bordering on the Atlantic Ocean. So, while in art and literature, science and philosophy, she had made valuable contributions to European culture, at the beginning of the nineteenth century she was commercially and industrially backward and politically disunited and weak. The conquests of Napoleon brought her some sort of political unity, but at his fall she was again divided up into thirty-nine states.

Her rise to the position of a strong, united, industrial nation was due, as we have already seen, to the invention of the railway and to the genius of Bismarck, the Prussian Chancellor, who, in 1871, was able to weld together the separate states of Germany into one nation, with the King of Prussia as German Emperor. Previous chapters have shown how the central position of Germany in Europe and the genius of her people in science and industry led to her rise to an important position among the nations of the world. They have also told how this rise to industrial eminence led to rivalry with Great Britain and was one cause of the outbreak of war in 1914.

A study of the map will reveal the fact that geographically Germany falls into two fairly well marked areas, the great plain of the north and the upland and mountainous country of the centre and south. Stretching from west to east is a belt, some four hundred miles wide, sometimes called the Power Belt, which is rich in mineral resources. At its western end is the great Ruhr coalfield, at its eastern the Saxony and Silesian coalfields, the latter partly German, partly Polish. This area is rich not only in coal but also in

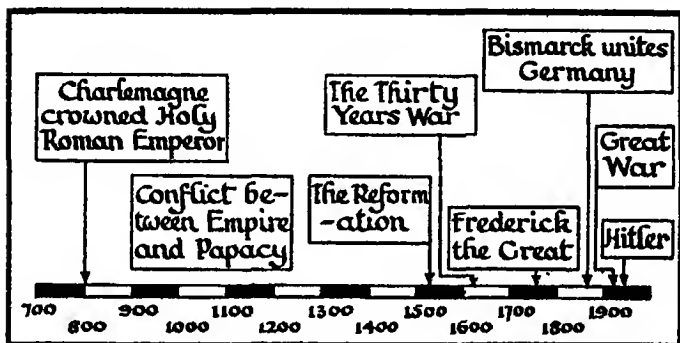


FIG. 31

other metals, such as iron, lead and zinc, while near Halle is the largest deposit of potash salts in the world. It is thickly populated and in it iron, steel, chemical, engineering, textile, dyeing and other industries have been established. Railways as well as the great navigable rivers of the Rhine and the Elbe enable the products of this industrial area to be sent both north and south into the markets of the world, while railways and canals provide routes east and west. The return of the Saar coalfield to Germany in 1935 has added to her mineral wealth. A large section of the population, however, works on the land. Germany produces almost, though not quite enough, foodstuffs to feed herself.

In spite of Germany's resources, reparations, financial



crises and the world trade depression, which has been described in an earlier chapter, had reduced her to a state of bankruptcy and despair. She had several million unemployed, the young men and women coming out of school and university found themselves unwanted, the future looked black and unpromising. The experiment in liberty and democratic government, which had been tried after the War, seemed to have been a failure, the attempt to co-operate with other nations to have brought no alleviation of Germany's troubles. She was unarmed in a world which had refused to disarm and surrounded by neighbours who still remained hostile and suspicious. It is not surprising that she was willing to entrust her destiny to the man who promised her all the things she had not.

The story of the career of Adolf Hitler reads almost like a fairy tale. At twelve years of age he went to Vienna, hoping to gain an art scholarship. Failing to get one, for some years he earned his living as best he could. During the War he served in the German army, was wounded and decorated for bravery in the field. After the War he found himself once more penniless and without an occupation.

He was filled with shame at Germany's defeat and burnt to overthrow the treaty which Germany had been forced to sign. He was opposed to the liberal constitution which had been made at Weimar and hated both the foreigners who were trampling on his country and the Jews who he believed were using Germany's distress to make profits for themselves.

The party he joined, which eventually developed into the National Socialist Party or Nazis, consisted at first of only seven men ; but gradually it grew in numbers. In 1923 an attempt to march on Berlin and overthrow the republic failed. Hitler was himself arrested and imprisoned. In 1924, however, the Nationalist Socialist Party won thirty-two seats in the Reichstag. As Germany's prosperity increased after 1925, this number dropped to fourteen.

The great depression brought Hitler and the National



**Note how the main railways connecting Eastern and Western Europe pass through Germany.**

Socialists to the fore. In 1938 Hitler became Chancellor. The Weimar Constitution was swept away, the liberty for which Germany had now no use disappeared, Hitler became the Führer, or Leader, of the new Germany, with the powers of a dictator. All opposition to the new government was ruthlessly crushed, Communists and Liberals were imprisoned, the Jews were persecuted, their shops were boycotted and they were expelled from all professional



FIG 33—THE NEW GERMANY

At the end of 1938 after the absorption of Austria and the Sudeten Germans of Czechoslovakia into the German Reich

posts. In 1934, on the death of the old President, Marshal Hindenburg, Hitler added the title of President to that of Chancellor.

To Englishmen who for hundreds of years have had a tradition of individual liberty and parliamentary government and have never endured a dictator for long, there is much that is horrible in the Nazi suppression of individual liberty and cruel persecution of their opponents. Yet the rise of Hitler to power and the methods adopted by the Nazi

régime are not difficult to understand. To the majority of the German people anything was better than the troubles through which they had gone since the Peace of Versailles. It was natural for the German people, who, since the time of Bismarck, have always been taught to place discipline and duty before liberty, to put themselves under a leader who restored their pride by telling them that they were the finest race in the world, who offered them national greatness instead of a position of inferiority, who promised work for the despairing unemployed. It is probable that the majority of Germans not only accepted the Nazi régime but also revered Hitler personally. He brought them a new hope and a new courage.

Hitler refused to be bound by the Treaty of Versailles. Maintaining that other nations had not fulfilled their promises to disarm, he created a powerful German army. Contending that France's pact with Soviet Russia was a breach of the Pact of Locarno, and on the plea that if Germany were to have equality with other powers she could not be expected to leave her Rhine frontier undefended, in 1935 he marched military forces into the Rhineland. In 1938, not only did he send German troops into Austria and proclaim the union of the two countries, he also incorporated the three million Germans of Czechoslovakia in the new Germany. He demanded the return of Germany's lost colonies.

It was said that the War of 1914-18 was fought to make the world safe for democracy. Instead, the post-war years have seen the gradual disappearance of democratic forms of government throughout Europe. We have described the destruction of democracy and the rise of a dictatorship in Germany. In the following chapters we shall tell of similar happenings in other European countries.<sup>1</sup>

<sup>1</sup> This and the following chapters should be read in conjunction with Chapter XXVI, "The Challenge to Democracy"

## CHAPTER 36

### THE RISE OF FASCISM IN ITALY

**I**N order to make the story of post-war Europe as clear as possible it has been taken up to the establishment of the Nazi dictatorship in Germany. It is now necessary to go back in time and describe the rise of two other forms of dictatorship in Europe, firstly the Fascist dictatorship in Italy, which is in some ways similar to that in Germany, secondly the Communist dictatorship in Soviet Russia, which is in many ways different.

To understand why Mussolini was able to impose Fascism on Italy with comparative ease, one must briefly consider the geography and economic organisation of that country and tell something of its past history.

Unlike Great Britain and France, Italy was born late into the family of European nations; the first Italian Parliament met in Turin in January 1861; in March of the same year Victor Emmanuel was proclaimed King of Italy.

Italy's history has been a chequered one. At one time, in the days of the Roman Empire, she ruled the world. The boundaries of that vast empire stretched to the Atlantic in the West, to the Sahara Desert in the South, to the Euphrates, Danube and Rhine in the East and North East and to the Solway Firth in the North. Within the Empire existed law and ordered government, over it extended the *Pax Romana*, the peace of Rome. In the fourth century of the Christian era, however, the Roman Empire began to crumble; hordes of barbarian tribes, which had been pressing in on its borders, poured into it. Italy was invaded in turn by West Goths, East Goths, Vandals and Lombards.

Out of the chaos which succeeded the collapse of the Roman Empire the nation states of modern Europe began gradually to emerge. For reasons which cannot be described here Italy, however, never developed into a united nation until long after such countries as England, France and Spain. City states such as Florence and Milan, wealthy trading republics such as Venice and Genoa grew up, while the Popes became virtually kings of Rome and the surrounding territory. Art and literature, architecture and learning flourished. In the fifteenth century Italy was the wealthiest and most cultured part of Europe. On account of her lack of unity, however, she was an easy prey for more highly organised nations. Foreign armies invaded her again and again; eventually she fell under the control of Austria. Except for a short period round about 1800, when Napoleon gave her some measure of unity, she remained under Austrian dominance until, in the middle of the nineteenth century, the Italian people, inspired by a great patriot, Mazzini, and guided and led by such men as Victor Emmanuel, King of Sardinia, Count Cavour, his Prime Minister, and that brave fighter, Garibaldi, achieved unity at last.

Until her liberation Italy was a backward country. Her governments were corrupt and tyrannical, her people had no share in political life, her economic organisation was far less advanced than that of such countries as Great Britain and France. Even when, in 1861, she adopted parliamentary institutions, the number of people who were given the vote was comparatively small. As late as 1919 there were only three million voters out of a population of forty millions. The population of Italy was, moreover, to a great extent made up of peasants, many of whom could neither read nor write. Thus government through a parliament was not firmly rooted in Italy by the custom and growth of centuries as it is in English-speaking countries. The parties in Parliament were weak and did not really represent the people. When the democratic system was

attacked it had not that strength of tradition behind it which would have enabled it to survive.

A glance at the map of the Italian peninsula shows that mountainous areas cover a large portion of it. Much of the soil is, moreover, poor and there are broad stretches of marshland which can only be brought into cultivation at considerable cost. Italy lacks the raw materials required by modern industry. She has hardly any coal and few other metals in any quantity; large amounts of coal and iron as well as of machinery and finished metal goods have to be imported for the use of her industries. Though she grows a good deal of wheat, she does not produce enough to feed the whole population. Her chief exports are motor cars, cotton and silk goods and such agricultural products as fruit, oil and cheese. Indeed, before the War the country was so poor that many Italians emigrated to seek their fortunes in other lands. Finally, arriving late in the field, she found that other nations had already occupied those parts of the world most suitable for colonisation. Except for Libya, which she seized from Turkey in 1912, and Eritrea and Italian Somaliland, on the borders of the Red Sea, she had no colonial possessions.

Although in 1882 Italy had joined the Dual Alliance of Austria and Germany, in the years before the war she had gradually been drifting away from them. In 1914 she refused to come in on the side of the Central European powers and in 1915 threw in her lot with the Allies. She hoped to gain much from an Allied victory, but at the Peace Conference in 1919 she was not powerful enough to persuade the stronger states to give her all that she wanted.

Italy felt herself disgraced. She had gone into the war to get territory and, though she had secured the Trentino, Trieste and a bit of Dalmatia, she had expected much more. The colonies she desired had been refused her, she had contracted vast war debts, she had a budget deficit of over 12,000,000,000 lire, her economic life had been disorganised,

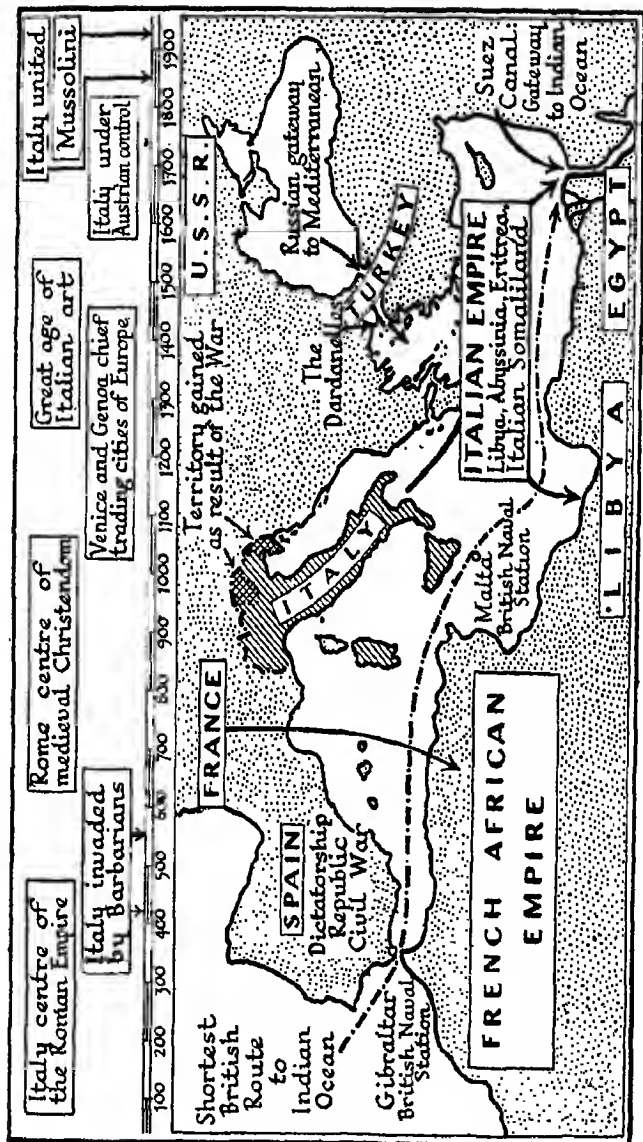


FIG. 34—ITALY AND THE MEDITERRANEAN 1938  
 Italy occupied Albania in April 1939



the cost of living had gone up. She felt her politicians had cheated her and were powerless to set things right again.

Everywhere there was chaos. Communism spread among the workers, strike followed strike. In 1920 six hundred factories were seized by the workmen and soviets set up. The workers were, however, too inexperienced to run the factories themselves. They were unable to obtain raw materials or to sell their goods in foreign markets.

In the years immediately following 1920 there was some improvement in the situation. Strikes became less frequent, industry improved and agriculture was extended. Nevertheless the troubles of the post-war years had created conditions favourable for the overthrow of parliamentary government and the setting up of a dictatorship.

In 1919 a Socialist journalist and ex-serviceman named Benito Mussolini had founded a society of ex-soldiers, which called itself *Fascio di Combattimento* or Fascists. This society demanded the reconstruction of the Italian state on Socialist lines. The Fascists were, however, opposed to the more extreme Italian Socialist and Communist parties and gradually most of their Socialist ideas were flung overboard. Not only the big industrialists but, still more, the small middle class business men and the peasants rallied to the Fascist Party. In 1922 Mussolini expressed his allegiance to the Monarchy; in October of that year the Fascists marched on Rome and, with the support of the King, seized the reins of government. Fascist Italy had come into existence.

We have already made a study of the type of government under which we in England live. Let us see how the type of government established by Mussolini works and how it differs from our own.

Like Great Britain, Fascist Italy has a King, a Prime Minister, a Cabinet and a Parliament. But there the resemblance ends. "Parliament" is not elected by the votes of a whole people free to choose candidates from whichever party they wish. There is only one party in Italy, the

Fascist party; all other parties have been suppressed. Nor do members of the Italian Parliament represent localities. Representation in Italy has been given the name *functional*; a member represents not a group of all sorts of different people, professional men, shopkeepers, labourers and so on living in one area as in Great Britain, but his own industry or profession. Mussolini established thirteen Corporations, six representing employers, six workmen and one the professions. By the electoral law of 1928 these Corporations submitted names of candidates for election. From this list the Fascist Grand Council selected 400 to form the National List of approved candidates and the Italian people were then asked to vote for these *en bloc*. All they could do was to say Yes or No, and, since there were no other candidates for whom they could vote, the majority said Yes. In 1938 the farce of election was abolished and the Italian "Parliament", the Chamber of Fascios and Corporations, is now a purely nominated body.

Policy is, moreover, entirely controlled by the Fascist Grand Council, the equivalent of the English Cabinet. The Fascist Grand Council is not dependent on a Parliament. It is appointed by and responsible to the Prime Minister, Mussolini, known as the Duce, who is himself appointed by the King and cannot, as can an English Prime Minister, be driven from office by Parliament. Since the King counts for little, the Duce is all powerful, the supreme controller and director of Italy's destiny.

Under Fascism the nation is everything, the individual nothing. All activities are subordinated to the interests and well-being of the state. Those who oppose what the Fascist Party consider to be the interests of Italy are suppressed. Opposition parties are not allowed to exist, newspapers must print the sort of news which the government wants, freedom of speech and the right to criticise policy have disappeared. All must submit to military training so that, if need be, everyone will be able to defend the state against attack.

What has Fascism done for Italy? Undoubtedly it has done a great deal. Disorder and strikes are no more; economic prosperity has increased. New roads and railways have been built, new industries started, marshlands reclaimed and brought into cultivation, water harnessed to provide electric power. Everything works much more smoothly and efficiently than before. Even though real wages are at pre-war level, though the quality of many articles is bad and there is a shortage of many standard commodities, the majority of Italians would probably say that the dictatorship of Mussolini is much preferable to the chaos which they endured under a freer and more democratic form of government.

Were Mussolini content to concentrate his energies on making Italy more prosperous internally, though democrats might deplore the suppression of individual liberty, they could not justly criticise Italy's right to conduct her own affairs as she considered best. But, as we have seen, Italy is a comparatively poor country. Her land cannot provide her with all her people require. Her population is increasing and she desires an outlet for this surplus population, sources of raw materials for her industries and markets for her goods. She has practically no colonies, and a people taught to regard national greatness as a thing to be striven for and vast dominions as a sign of national greatness are apt to resort to war to get what they want.

Italy's desire for expansion led, in 1935, to her going to war with Abyssinia, a country backward and in many ways barbarous. Abyssinia was, however, a member of the League of Nations and appealed to the League for help against the aggressor. Three Great Powers, the United States, Germany and Japan, were not members of the League and neither France nor Great Britain was willing to resort to war. Though economic sanctions were imposed these failed to restrain Italy. The Abyssinian capital, Addis Ababa, was captured by Italian troops and the King of Italy was proclaimed Emperor of Abyssinia.

Italy's action in going to war was contrary to the promise she had made to observe the Covenant of the League and did much to increase fear and suspicion in Europe. What does she urge in defence of her action? She maintains that she has acted in very much the same way as other nations have acted in building up their colonial empires in the past. She considers it unreasonable that those nations which have already won for themselves widespread possessions overseas should expect her to accept permanently a situation so greatly to her disadvantage.

How far Italy is right it is not for this book to say. It would be wise, however, to realise that it is unlikely that in the future either she or Germany will be willing to work in harmony with any institution such as the League which in its present form appears to deny to them those opportunities of expansion which they regard as their right.

## CHAPTER 37

### RUSSIA TRIES A NEW EXPERIMENT

**T**HE Russian revolution which we must now describe may turn out to be the most important event in our times, for, when the ruling Czar was overthrown, not only was a different form of government set up but also the whole economic organisation on which the country had been previously conducted was changed. The new Russian system is thus not merely an experiment in a new type of government, it is also an experiment in a new type of economic organisation.

Before the Russian revolution and its results are described let us look very briefly at Russia's history and at the character of her people.

Russia is a country of vast size. It stretches from the Baltic Sea to the Pacific Ocean, from the Arctic Ocean almost half-way to the Equator. The whole country covers about one-sixth of the land surface of the world; Russia in Europe covers half the European continent. Russia in Europe is, moreover, a huge plain. Even the Ural Mountains, which separate it from Russia in Asia, have such gentle slopes that the hordes which have, in the course of history, been forced westwards by the need of fresh pasture grounds, were not held up but flowed over them into the low-lying Russian land. Owing to the absence of mountains, the rivers of Russia are long and slow-moving, easy to navigate and consequently throughout her history have been one of the chief channels of communication. Originally the whole of northern and central Russia was covered with forest; to the south was a broad belt of grassland

along which invading peoples swept from Asia into Central Europe. Though in central Russia a good deal of forest land has been cleared and brought under cultivation, these two divisions of the country, the forest lands of the north and the steppes of the south, are still clearly marked.

In the ninth century of the Christian era the people of European Russia were predominantly Slav. About the time of Alfred the Great, small groups of Viking pirates invaded her and made themselves rulers of the country. These various groups of Vikings did not, however, join together to form one nation and, in the thirteenth century, Russia was over-run by fierce nomadic Tartar tribes from Central Asia, known as the Golden Horde. They easily conquered southern Russia but found more difficulty in subduing the forest lands to the north. The original rulers held out in the area round Moscow and the Muscovy princes gradually increased their power until, by the end of the fifteenth century, the Tartars had been driven out. For the next three hundred years the Muscovy princes continued to expand their territories. At the end of the sixteenth century, at the time of Ivan the Terrible, the first of them to be crowned Czar, western Siberia was conquered and gradually territory to the south towards the Black Sea, held by the wild Cossacks, was won.

In 1689 Peter the Great came to the throne of Russia. He was determined to bring her into contact with Western Europe and to modernise her institutions. He conquered from Sweden land south of the Gulf of Finland and there he built his new capital of St. Petersburg, now Leningrad.

By western standards, however, Russia continued to be a very backward country. Until the middle of the nineteenth century the vast majority of its people were serfs, forced to work on the domains of the landowners, and though in 1861 the government bought large tracts of land and handed them over to the peasants, methods of cultivation continued to be very primitive. The peasants,

who formed the majority of the population, were ignorant and illiterate and opposed to any change ; the government was tyrannical and corrupt. The first Russian parliament, the Duma, did not meet until 1905 and it was so powerless as to be quite useless.

Towards the end of the nineteenth century industry, usually financed with foreign capital, had begun to spring up. The industrial workers were, however, only a small minority of the population ; in 1914 there were about 2,500,000 workers engaged in mining and industry out of a population of nearly 150,000,000. It was among these workers, poorly housed and working for low wages under very bad conditions, that the seeds of revolution spread.

Revolution had, however, little chance in pre-War Russia. All attempts to reform the government were ruthlessly crushed and the revolutionary leaders either imprisoned in Siberia or forced to go into exile. Among those who were exiled were three men who were to play an important part in the later history of Russia, Lenin, Trotsky and Stalin.

In 1914 Russia entered the war in alliance with Great Britain and France. There is no time here to tell of her successes and failures. She had vast numbers of men upon which to draw for her armies but inadequate equipment in guns, rifles and ammunition. The country could not, moreover, stand the economic strain of a long war. In March 1917 a strike broke out in Petrograd, followed by a demonstration of woman workers. The Cossacks, sent to disperse them, went over to the workers' side, other troops joined them, the police stations were seized, the Czar's train prevented from entering the capital. Everyone was convinced that the Czarist régime must end, but no one knew what to put in its place. A Provisional Revolutionary Government of Liberals, with Prince Lvov at its head, was set up. Lenin, however, who with other exiled revolutionaries had returned to Russia, realised that the Liberal Revolution could not last long and, by insisting on

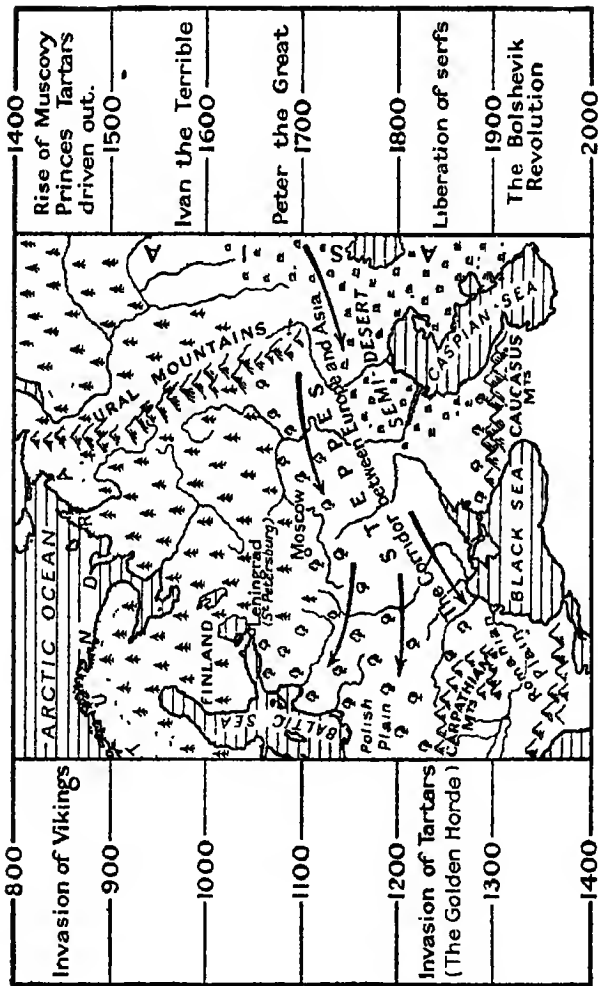


FIG. 35—EUROPEAN RUSSIA

Note forest, steppe and desert areas and the great network of navigable rivers ; also the mountain barriers of the Caucasus and Carpathian mountains.



continuing the war, the Liberals played into his hands. Soldiers and sailors mutinied, deserted their ships and regiments and poured into Petrograd. Prince Lvov was replaced by Kerensky and, for a time, the Provisional Government managed to carry on.

Lenin and his party, the Bolsheviks, waited their time. In November 1917 (October according to the old Russian calendar) his opportunity came. Petrograd was seized, Kerensky's government faded away, the revolution spread to Moscow and the country districts, where Lenin had won the support of the peasants by a decree giving them the land of their masters. The Bolshevik Revolution had won its first fight.

There was, however, a vast work to do. The starving town workers had to be fed, the war ended, the enemies of the Revolution crushed. At Brest-Litovsk Russia accepted Germany's terms, humiliating though they were. Peace with Germany meant war with the Allies, for there were great ammunition dumps in Russia which the Allies did not want to fall into German hands and, more important, there were huge investments of foreign capital. The Bolshevik Government had repudiated all debts and, if they were to be allowed to remain in power, all this money, held by British and French shareholders, would be lost. The Allies, therefore, sent help to the Russian counter-revolutionaries and, for three years, civil war raged in the land. It was not until 1920 that, largely owing to the genius of Trotsky, peace was at length secured and the Revolution made safe.

## CHAPTER 38

### THE PROGRESS OF THE RUSSIAN EXPERIMENT

**W**HAT has the Bolshevik Revolution done for Russia, or, as we must now call it, the U.S.S.R. (Union of Socialist Soviet Republics)? What type of government did it substitute for the old despotic Czarist regime? What is the character of the new economic system it has introduced? These questions we must try to answer.

The political and economic philosophy which guided and inspired the revolutionary leaders was that worked out by the 19th century thinker and writer, Karl Marx. According to Marx the most important thing about any era is the way it produces the things it needs to sustain life, that is, its economic organisation. On this its law, religion, forms of government and social structure depend. Our present era, he maintained, is based on the private ownership of the means of production. Under this system the workers are at a grave disadvantage as compared with the owners, who get far more than their fair share of the fruits of production, hold most of the power and exploit the workers for their own profit. This inequitable balance could not be remedied by peaceful means; the owners or capitalists would not of their own free will give up their power and advantages. To overthrow the present system the only method is that of a revolution of the workers of the world, the complete destruction of the capitalist class and the setting up of what Marx called the dictatorship of the proletariat or working classes. This dictatorship of the proletariat would be followed in due course by the

emergence of an ideal form of society in which there would be no classes, since everyone would have to work at the task for which he was best fitted, in which there would be no private property, since all the means of production would be owned by the state, and in which everyone would be prosperous. Communism, the philosophy of Karl Marx, is contained in his two works, *The Communist Manifesto* and *Capital*, which are to the Russian revolutionaries what the Bible is to Christians.

The Revolution swept away the Czar, the land owners and the capitalists, but Lenin saw that Communism, in the form that Karl Marx had envisaged it, was not immediately possible in Russia. In order to win the support of the peasants, who formed the bulk of the population, he was obliged to give them land. Shortly after the revolution he was forced to allow a certain amount of private trading and, under what was called the New Economic Policy, to leave the conduct of industry in private hands. At first the Bolsheviks tried hard to start Communist revolutions in other countries, but it gradually became clear that the majority of nations were not ready for a revolution of the workers of the world such as Karl Marx had dreamed of and that in order to develop her resources Russia needed the machinery that only the capitalist countries could produce. When Lenin died in 1924 a struggle took place between Trotsky, who still wished to continue the policy of trying to organise revolutions in other countries, and Stalin, who saw that the time for world revolution had not yet come and considered that Russia should concentrate all her energies on making the country into a modern industrial state on Communist principles. Stalin won and set to work to organise Russia.

It is impossible to understand what has been accomplished by the Bolshevik Revolution unless one realises how economically backward Russia was as compared with other European countries. Her natural resources are tremendous but they were undeveloped, almost unknown.

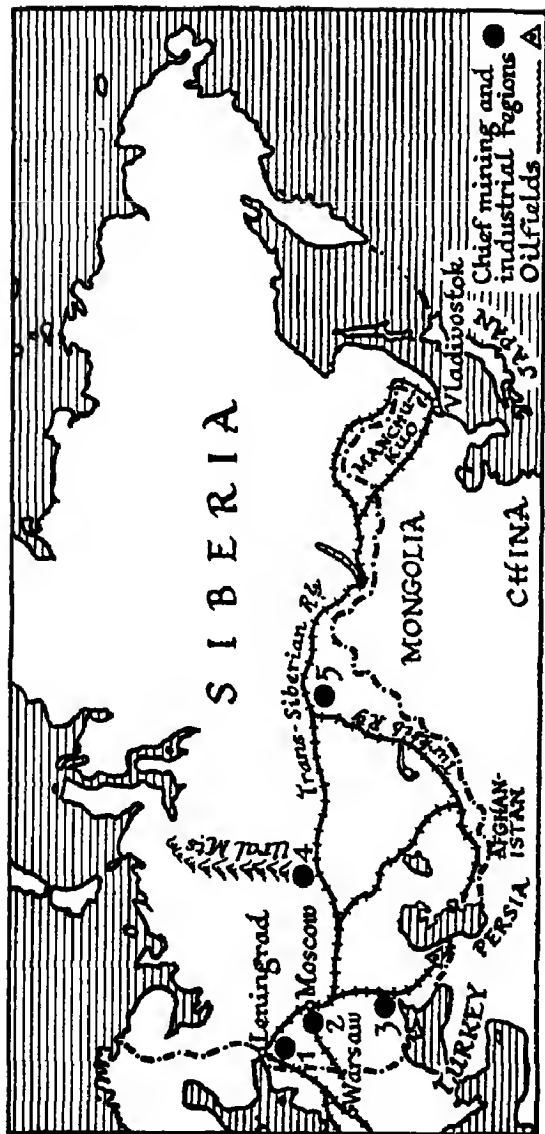


FIG. 36.— THE UNION OF SOVIET SOCIALIST REPUBLICS

Note how railways have connected up the vast spaces of the U.S.S.R. and enabled her resources to be developed : 1. Leningrad industrial area. 2. Moscow mining and industrial area. 3. Donetz iron and coal field (Dniepostroi power station). 4. Ural mining and industrial area (Magnitogorsk). 5. Kuznets coal field. N.B.—The full resources of the U.S.S.R. are not yet explored.

For a country of her size she had few railways and such roads as existed were in poor condition. The bulk of the population were engaged in agriculture. There were few factories and a great lack of the trained engineers and skilled workmen essential for modern industry.

The usual way of starting industries in undeveloped countries is by borrowing from more highly developed nations and using the money to build factories and buy machinery from abroad. Russian industry before the war had been to a great extent financed by foreign capital and very large sums had been invested. The Bolsheviks had, however, repudiated Czarist debts and those who could provide the capital which Russia needed were unwilling to put their money into so risky an undertaking. Yet unless railway engines, hydraulic presses, electric generators, motor tractors and other machinery could be somehow obtained from the countries which manufactured them, the development of Russia's resources could not be carried out. These could only be obtained by exporting to other countries as much wheat, timber and oil as Russia could produce, even though, as a result, the workers were compelled to exist at a very low standard of life.

The economic organisation of Russia by the Bolsheviks falls into three main periods. In order to win the war against the Allies and the counter-revolutionary "Whites", a system of general conscription of the resources of the country, known as War-Communism, was resorted to. Industry was brought under government control. All private property was seized and the peasants were obliged to hand over their grain to the government collectors. Great suffering was caused but, as we have seen, the war was won.

This policy of War-Communism led, however, to much resentment. The peasants refused to sow crops and slaughtered their cattle. Lenin therefore decided to introduce what is called the New Economic Policy. Private trading was once more restored. The peasants had to hand over

part of their grain but were allowed to sell the rest in the open market. Industries were allowed to organise themselves into Trusts and, under a certain amount of state supervision, to manage their own affairs. Money was once more put into circulation. Finance and banking were, however, kept under government control and co-operative societies for the distribution of goods were encouraged and developed rapidly. Comparatively rich men, both traders and peasants, were once more to be found in Russia. The New Economic Policy, far removed as it was from Communism, brought some degree of economic recovery to Russia. Particularly did it result in the extension of her all-important export trade, the value of which rose from about one and a half million roubles in 1920 to over two hundred million roubles in 1928.

The New Economic Policy was, however, only a temporary expedient. Before his death in 1924 Lenin had been working towards the next stage. It was left to his successor, Stalin, to carry it out. The new plan was nothing less than to bring the whole industrial and agricultural life of the country under governmental control so that all Russia's resources could be developed to the fullest extent in the interest of all its citizens. Between 1925 and 1928 the preliminary work was carried out for the launching of what was called "The Five Year Plan", a vast attempt so to organise the economic life of the country that Russia would become self-supporting. New factories and power stations were to be built, mines opened up, railways and roads constructed, production increased and the small peasant holdings turned into large farms cultivated by machinery. Since the success of the Plan depended on a supply of educated workers, included in it was a great scheme for the education of the illiterate population.

Urged on by every form of propaganda, the Plan was taken up with immense enthusiasm by the workers. With the help of foreign experts vast engineering feats, such as the construction of the great electric power station at

Dnepostroi, were carried out. New towns, such as Magnitogorsk with its vast steel plant, sprang up. The valuable oil industry of the Trans-Caucasia region was re-organised and its productive power doubled. A pipe line, six hundred miles long, was laid down to carry the oil from the wells to ports in the Black Sea. Electrical power was increased nearly threefold. Much of the work done was not of high standard—as we have seen, Russia had few skilled workers—but the achievements of the first Five Year Plan in industry were tremendous.

For the selling of goods communal trading was encouraged. The turnover of what was known as the Consumers' Co-operatives was doubled, that of the state shops increased fivefold.

Lenin had, in order to gain their support, given land to the peasants. Not only was this contrary to Communist principles but also the small farms, worked by comparatively ignorant peasants, were not economically efficient. Moreover, the kulaks, the well-to-do peasant proprietors, were opposed to Communist ideas. The Bolshevik plan was to re-organise agriculture in two ways, by the setting up of state farms of vast size—one was as big as an English county—owned by the government, on which the peasants worked as labourers, and by encouraging collective farms, in which the peasants owned the land, beasts and farm implements in common and divided the profits equally. There was a great deal of opposition to the government's plans for agriculture. Nevertheless, by 1932 the prosperous peasant owner had been eliminated, the small farm had disappeared and sixty per cent. of the peasants were working on state or collective farms.

The object of the first Five Year Plan was to make Russia self-supporting and lay the foundations of industrial and agricultural prosperity for the future. Though it did not accomplish everything it set out to do, it accomplished much. The success it achieved was paid for, however, by the acceptance of a very low standard of life by the Russian

people ; any surplus wealth was used to build up industrial organisation and to purchase the much needed machinery from abroad. The second Five Year Plan, started in 1933 had for its object improvement in the standard of the goods produced, development of better transport facilities extension of housing and, more particularly, provision of a higher standard of life for the workers.

The basis of the new Russian political system is the Soviet. Each village, town and factory has its Soviet which elects, either directly or through District Soviets and Regional Congresses, members to the All Union Congress of Soviets, theoretically the supreme legislative body, which meets once a year. The All Union Congress of Soviets, together with the Council of Nationalities, representing the various national groups in the U.S.S.R., in its turn elects the Central Executive Committee, which meets on an average three times a year. This in its turn elects a Praesidium of twenty-seven members, which appoints and controls the Council of People's Commissars, the heads of government departments and the equivalent of the Cabinet in a country with a parliamentary form of government.

A description of the machinery of representation and government in the U.S.S.R., however, gives no idea as to where the actual power lies. The real rulers of Russia are the leaders of the Communist Party, which ever since the Revolution has exercised a dictatorship over the whole U.S.S.R. The Communist Party has little similarity to the parties found in democratic countries. It is not an organisation that one may join if one wishes. Its members are carefully selected after long and arduous testing and a member, once elected, has to take stringent vows. The discipline of the Party is very strict and there are frequent purgings of those who are not considered to be worthy of membership. In 1934 only about two million out of a population of about one hundred and sixty million were members of the Party. Since the Party includes the keenest and most politically efficient men and women in the Union



its members hold most of the important government posts. All believe absolutely in the doctrines of Communism and are in agreement with the principles on which the economic and political life of Russia is conducted.

We have perhaps tended to stress the best side of the Russian experiment. There is, however, another side. The Communist philosophy is materialistic, it has no room for spiritual ideals. Religion, though it may be practised, is discouraged and, in 1932, a Godless Five Year Plan was launched with the object of extinguishing from the minds of all Russians any notion of the existence of God. In spite of the fact that a new, and on paper more democratic, constitution has been promulgated, there is no real political freedom in the U.S.S.R. Like Italy, Russia is dominated by a party, with the ideas of which it is inadvisable to disagree. Like all revolutions, the Russian revolution entailed a good deal of persecution and bloodshed in its early stages and even now the frequent and violently conducted trials of those who have attacked the existing regime seem to us, living under different conditions, cruel and fantastic. Nor is there any real equality in present-day Russia. Indeed there is much truth in the statement that the Bolshevik revolution merely destroyed one tyranny in order to set up another and even more efficient one. It must be remembered, however, that the experiment is still young and that Russia is emerging from a condition of affairs which was far from admirable. She is still in a state of transition, and it is too soon yet to say what she will eventually become.

## CHAPTER 89

### PROSPERITY AND DEPRESSION IN THE UNITED STATES OF AMERICA

**T**HE United States of America, covering an area of over four million square miles and with a population of 137,000,000, occupies the southern half of the North American continent. It is the wealthiest country in the world, possessing natural resources greater than those of any other nation. It is an important wheat and corn-growing country ; it produces enough iron for its own needs and a surplus for export of coal, cotton, copper and oil. The only two raw materials especially needed in modern industry which it lacks are rubber and tin. It is thus potentially almost self-sufficient.

The United States originated in the thirteen British colonies, which were established along the east coast of the continent in the seventeenth and eighteenth centuries. In 1776 these colonies, discontented with the treatment meted out to them by Great Britain, declared their independence and entered on a national life of their own. Throughout the nineteenth century the United States advanced steadily westwards, gaining territories from France, Spain and Mexico, until, by the end of the century, the western coast had been reached and the Union stretched uninterrupted from the Atlantic to the Pacific Ocean. The timely invention of the railway train and the telegraph materially assisted this expansion, for the telegraph made possible the maintenance of communication over so vast an area while the railway train enabled it to be developed and its products carried to the coast for shipment to the markets of the world.

At one period it seemed that the Union might be destroyed. In 1861 the cotton growing states of the south, which supported slavery, tried to break away from the northern states, which were opposed to it. Abraham Lincoln, who was President at the time, denied the right of the Southern States to secede and was prepared to go to war to maintain his opinion. In the long and bloody Civil War, which followed, the Southern States were defeated. Lincoln's foresight and determination saved the Union from falling to pieces and made her present greatness possible.

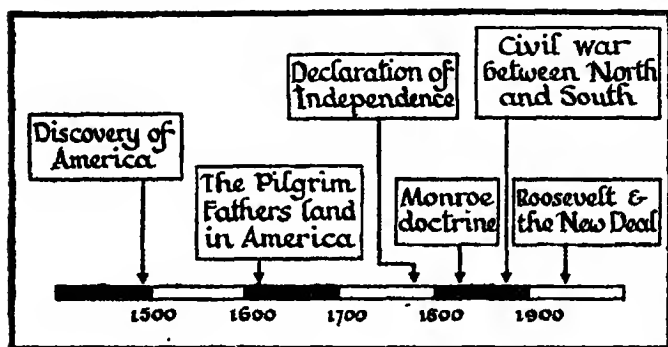


FIG. 37

During most of her history the United States has been so busy developing her vast area and great resources that she has taken little share in European affairs. Indeed, she has always striven to prevent herself from being involved in European quarrels. When, in 1914, Europe went to war, she found herself in a very advantageous position. The European nations were too busy fighting and manufacturing shells, rifles and war materials to supply either themselves or their old customers with the goods they needed. The United States was deluged with orders not only from South America and the Far East but also from the warring nations themselves. While other countries were wasting their wealth at the rate of millions of pounds a day, the

United States became increasingly richer. Though in 1917 she entered the war on the side of Great Britain, at its end she emerged the wealthiest nation in the world. While in 1914 she had owed to other nations some 8,000,000,000 dollars, by 1918 she had cleared off this debt and was herself owed 10,000,000,000 dollars.

By the end of the war that wave of idealism to defend small nations and maintain the sanctity of treaties, which induced the U.S.A. to join the Allies, had disappeared. President Woodrow Wilson had managed to persuade the victorious Allies, much against their will, to include the Covenant of the League of Nations in the Treaty of Versailles. When he returned to America he found that the American people had one desire only, to get clear of European quarrels. The United States refused either to ratify the Treaty or to join the League.

Instead she put up barriers against manufactured goods and European immigrants and set to work to develop her own internal resources and to make herself richer and more prosperous than ever. She continued to export, for the world wanted the things she could produce. Some countries could send her goods in return—coffee, sugar, rubber and tin. Others had little which she needed, they could only offer her a share in the profits of their own enterprises. Capital piled up; the United States had more than she knew what to do with. Much of it she invested abroad, with what results we shall see.

The years following the war were, in the United States, years of plenty. She seemed to have discovered the secret of industrial prosperity. Mass production supplied goods at low prices; high wages enabled the workers to buy what was produced. Advertising persuaded people to consider as necessities the things with which before they had been content to do without; the hire-purchase system allowed them to get what they wanted by paying a small deposit and promising to pay the rest in the future. Except for the farmers, badly hit by the fall in the price of wheat,

everyone appeared to be prosperous. Money seemed easy to make, the price of industrial shares rose higher and higher as more and more people began to gamble on the Stock Exchange until they reached figures far in excess of their real value.

The system was, however, unsound. With world conditions as they were, the volume of goods produced could not be absorbed, so that instead of prices rising they fell; huge sums of money had been lent to countries who could not even afford to pay interest on the loans, let alone pay them back.

In 1929, the rude awakening came. Shares, instead of continuing to rise, toppled, then fell with a crash. The efforts of the big American banks to hold the market together were unsuccessful and the slump grew steadily worse. Banks failed, unemployment figures rose and rose until they reached the colossal figure of 15,000,000. Many Americans lost everything they possessed and men who had been earning good wages found themselves destitute. There was no system of unemployment insurance to tide the unemployed over the bad times. The effects of the crisis in the U.S.A. were, as we have seen, felt all over the world. The years 1929-1932 were bad years for the U.S.A.

In 1932 Franklin Roosevelt was elected president. To him fell the task of trying to restore America to her old prosperity. He was faced with a gigantic task. Fifteen million men were unemployed. Farmers were saddled with mortgages they were unable to pay; the prices of agricultural products had fallen so low that they could not be grown at a profit. International trade, owing to the world crisis, had broken down, and distress in America itself made it impossible for Americans to buy the goods her own factories could produce. Purchasing power and confidence had to be restored. The financial system which had seemed to be working so well had proved to be unsound; something different had to be evolved,

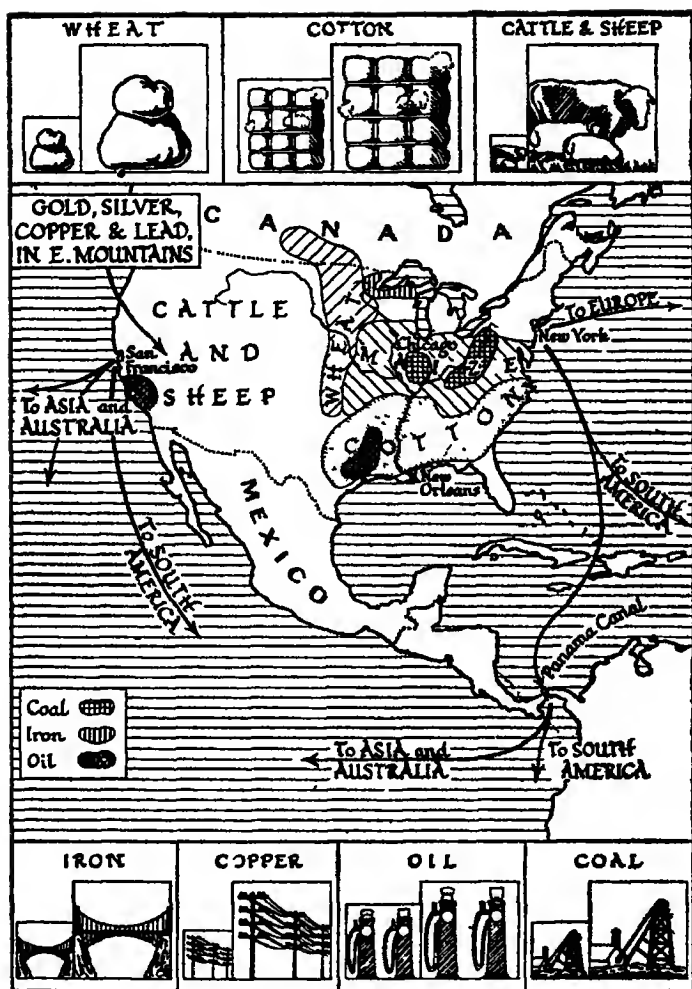


FIG. 38—THE ADVANTAGEOUS GEOGRAPHICAL POSITION AND VAST NATURAL RESOURCES OF THE U.S.A.

The diagrams above and below map show the comparative volume of U.S.A. and world production of the commodities indicated. The railways connecting the Atlantic and Pacific Oceans are shown on the map on page 166.

The work of President Roosevelt cannot be described in detail. He tried to introduce what he called the New Deal, expressed in a great National Recovery Act. It was an attempt to modify the whole basis on which American life and industry had been built up. Up to 1929 America had prospered on the system of free competition, every man working for himself. Since there had been work for all—if a man lost one job there was another one waiting for him—there appeared to be no need for the government to interfere in the organisation of industry. It now appeared that only by organisation from above and co-operation between employers and workers could industrial and agricultural prosperity be restored.

We have already described how a similar task was attempted in Russia, Germany and Italy. All these countries adopted the method of dictatorship, the concentration of power in the hands of one man or one group of men, the destruction of individual liberty and the substitution of force for persuasion. The United States is a democratic country; the government can do nothing unless the people as a whole agree. Would the American people consent to that curtailment of economic liberty which the new conditions seemed to demand?

Roosevelt encountered a good deal of opposition in carrying out his policy. His popularity and success were, however, sufficiently great to secure his re-election, in 1936, to the office of President for a second term. But what will be the eventual result of his work and on what lines the United States will finally organise her economic life is not yet clear.

## CHAPTER 40

### HOW INDIA HAS BEEN GIVEN A NEW CONSTITUTION

**T**HE peninsula of India is nearly fifteen times as large as the British Isles. It covers an area of nearly 1,700,000 square miles and contains some 353,000,000 inhabitants. The majority of its peoples, about 70%, are engaged in agricultural pursuits, chiefly the growing of wheat, rice, cotton and millet. Only 10% are engaged in industry, of whom the majority are hand-workers in the villages. In recent times the factory system has developed and cotton, jute and steel manufactures have been started. Minerals have been mined in India from early times and its mineral wealth, though not very considerable, includes coal, iron, manganese, gold, mica and graphite.

The races of India, which are numerous, spring from two main stocks, the Dravidian, the original inhabitants of the peninsula, found in its southern portion, and the Aryan, waves of which race have entered the country from the north at different times in her history.

The two main religions of India are Hinduism, to which some 68% of the population adhere, and Mohammedanism, which embraces 22% of the people. About 4% of the people of India are Christian.

Geographically India falls into three main divisions: the mountainous region of the Himalayas; the Great Plain, watered by the rivers Indus and Ganges, very fertile and thickly populated; and the vast tableland of the Deccan, most of which is over 1500 feet above sea-level and which is bounded on the west coast by the Western Ghats and the east coast by the Eastern Ghats.



Though large numbers of the population are illiterate and have a very low standard of life, it must not be supposed that India is an uncivilised country. Indeed, her civilisation is a very old one and she has made a great contribution to the art, architecture and literature of the world. To religious and philosophical thought her contribution has been very important. The Indians are a very religious people and India has been the birth-place of two great world religions, Hinduism and Buddhism. As we have seen, the former is still the religion of the majority of Indians; Buddhism has now, however, few adherents in India and is found chiefly in China, Ceylon and Tibet.

Indian history is the story of successive invasions, first over the mountains of the North-West frontier, later from the sea. In the fifteenth century before Christ waves of peoples of the Aryan race swept into India, driving the original Dravidians before them and occupying the fertile northern plain. During the next two thousand years several Empires flourished. At one time Northern India was included in the Empire of Persia; in 327 B.C. it was invaded by the Greek conqueror, Alexander the Great. Alexander's garrisons did not succeed in holding their position long and in 250 B.C. the whole peninsula was united under the great King Asoka. During the Christian era other invasions took place. In the eighth century A.D. Mohammedan Arabs entered the country and in the sixteenth century Baber led his hosts over the Hindu Kush and established the Moghul Empire. Under the Moghul Emperors India passed through the most glorious epoch of her history.

In 1497, however, Vasco da Gama had found a way to India round the Cape of Good Hope and it was not long before European trading companies, Dutch, Portuguese, French and British, began to establish themselves. It has been a characteristic of European expansion overseas that those who came to trade remained to conquer. As the power of the Moghul Empire declined, the Indian penin-

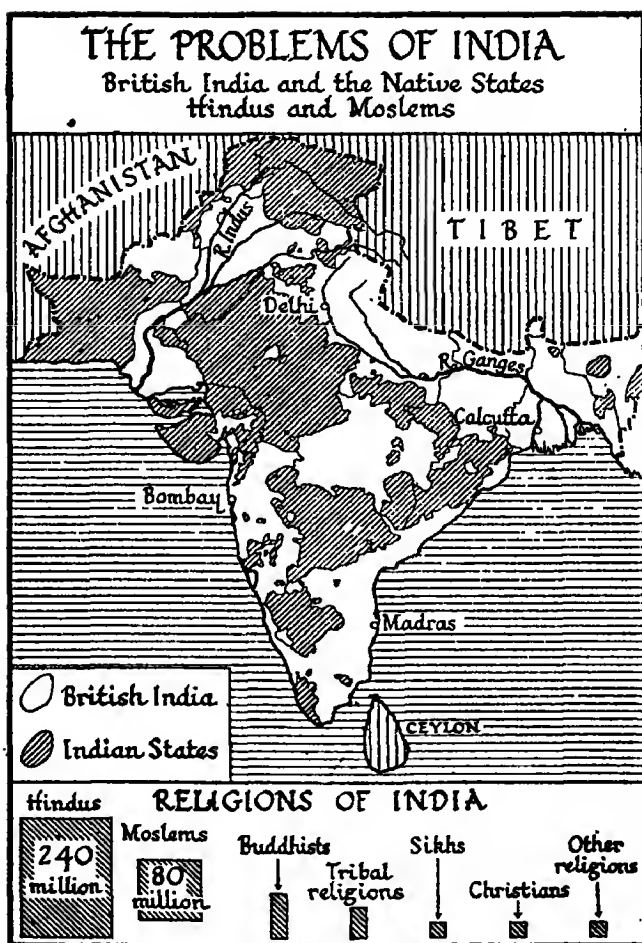


FIG. 39—PROBLEMS OF INDIA

The map shows how India is divided up into the provinces of British India and the Indian States. Underneath are shown the approximate numbers of adherents to the various religious faiths. Note the predominance of Hindus over the rest.

sula became, in the eighteenth century, a battle-ground between Great Britain and France. There is no room here to tell the story of Clive and Warren Hastings. It must suffice to say that Great Britain was victorious. For a century the East India Company controlled India. In 1858 India became a definite possession of the Crown, ruled, in the name of the British monarch, by a Viceroy with very wide powers; in 1877 Queen Victoria was proclaimed Empress.

The whole of India was not, however, equally under the control of Great Britain. While the provinces which made up British India were governed by the Viceroy, the rulers of the Indian States were to a great extent independent. They acknowledged the King-Emperor as the Paramount Power, with the right of interference in cases of misgovernment or if the peace of India were threatened, and accepted a British Resident or Agent as an adviser. Within their own states they were, however, virtually supreme, making their own laws and levying and collecting their own taxes. The relations between each Indian State and the British Crown were usually arranged by treaty.

Were there space much might be written about the services of Great Britain to India. The effects of her rule have been, on the whole, beneficial. Not only have order and peace been preserved but also laws have been justly administered, abuses abolished and many social reforms introduced.

The recent history of India is the story of her demand for a greater measure of self-government than she has previously possessed. Some Indians have demanded complete independence; the majority, however, desire that she should receive Dominion status, similar to that given to other parts of the British Empire. The immediate grant of Dominion status, however, presents several difficulties. India's population is varied and at different stages of development. The majority have not had—some would say they have not been allowed to have—any experience

or responsibility in conducting their own affairs. Quarrels between rival religious groups are apt to break out frequently. The fact that India is partly composed of provinces under the British Crown, partly of independent native states, raises difficult problems. Many fear that to give complete self-government to India would result in the whole country being plunged into chaos.

In 1919, by the Government of India Act, the gradual acquisition of self-government was promised and a limited share in the conduct of its affairs was given to the Indian people. In the provinces of British India a greater measure of representation was given in the legislatures and Indians were allowed to control what were called "transferred" subjects, such as education, agriculture and public health. Other matters, such as finance and police, were kept under the control of the Governor of the province. This system is known as dyarchy or divided rule. In the Central Government, however, all the executive powers were concentrated in the hands of the Viceroy and his Council, which was not responsible to the Central Legislature, composed partly of elected, partly of official members.

This limited measure of self-government was not acceptable to many Indians and led to disorders, which in their turn led to repressive measures. That section of Indian politicians called the Congress Party, of which the leading figure is Mr. Gandhi, was particularly opposed to the gradual policy of the British government. It launched a vigorous, campaign against the British plan, asserting the right of the Indian people to manage their own affairs and demanding complete and speedy self-government. As a weapon it adopted the policy of civil disobedience, that is, the refusal to use British schools and law courts or to buy British goods or to pay taxes, indeed the complete ignoring of British institutions.

In the face of what was really an Indian revolution further reforms in Indian government were obviously necessary and a Commission under Sir John Simon was sent

out. Various Round Table Conferences took place in London and gradually a new plan was hammered out.

This plan found expression in a new Government of India Act, passed by the British Parliament in 1935. This Act gave a fresh constitution to India, not "complete Dominion status, it is true, but something much closer to it than had been granted in 1919. Complicated though it is in detail, if we are to understand what is happening in India, we must try to grasp the general outlines of the constitution this Act lays down.

In the first place it proposed that India should be a federation under the Crown, with a Central Government representing both the Indian States and the provinces of British India. This federal scheme was not designed to come into operation immediately. Its inception was to depend on the adhesion to it of the Indian States, who are jealous of their independence. In the second place it proposed that, with certain safeguards, the provinces should have self-government, each possessing its own elected Legislative Assembly, with executive ministers responsible to it. The Governor of each province was, however, given certain reserve powers to override the wishes of the Legislative Assembly which he might exercise in case of emergency.

Provincial self-government came into operation on April 1st 1937. In most of the provinces the Congress Party secured majorities, but, owing to its objection to the reserve powers given to Governors, refused at first to take office.

The head of the Federal Executive is the Governor-General. His actions are in part dependent on the advice of ministers responsible to the Federal Legislature. In certain matters he may, however, act on his own discretion. These include defence, external affairs, ecclesiastical affairs and tribal areas, i.e. those areas which have not been given self-government. He also has the right of choosing and dismissing ministers and is responsible for safe-guarding

federal finance. If the Constitution breaks down the Act allows the Governor-General to assume very great powers.

To sum up, the Act of 1935 does not give complete Dominion status to India. A large measure of self-government is given to the Indian people, particularly in the provinces, but safeguards have been introduced lest, owing to the many difficult problems which have to be faced, all should not at first go well. The success of this experiment will depend on how much co-operation and good feeling is shown by both sides.

## CHAPTER 41

### THE EMERGENCE OF THE NEW CHINA

**W**E must now move still further eastwards and consider what has been happening in China in recent times. To understand these happenings one must realise something of the vastness of China and the character of its civilisation and history.

China covers some four million square miles, which is larger than the whole of Europe, and contains about a quarter of the human race. Its resources, if developed, are probably vast and, properly organised, could meet the needs of its population. It is watered by several great rivers. The Hwang-ho and the Yang-tze-kiang are navigable by ocean-going steamers for a thousand miles from their mouths.

China is separated from the rest of Asia by great barriers of desert and mountain. Its civilisation has consequently developed for many centuries with very little influence from outside. Within its own boundaries it evolved a mode of living and an attitude towards life very different from that of the West. Until a hundred years ago China was a changeless land, with a wonderful art and literature, thousands of years old, of which it was intensely proud. Its rulers had no desire for contact with other nations, whose civilisations they felt were alien to their own, and every effort was made to exclude the foreigner from Chinese soil.

China could not hold out, however, against the military force of the Western powers. From the time of the Opium War with Great Britain and the Treaty of Nanking, which followed it in 1842, China has been obliged to throw open

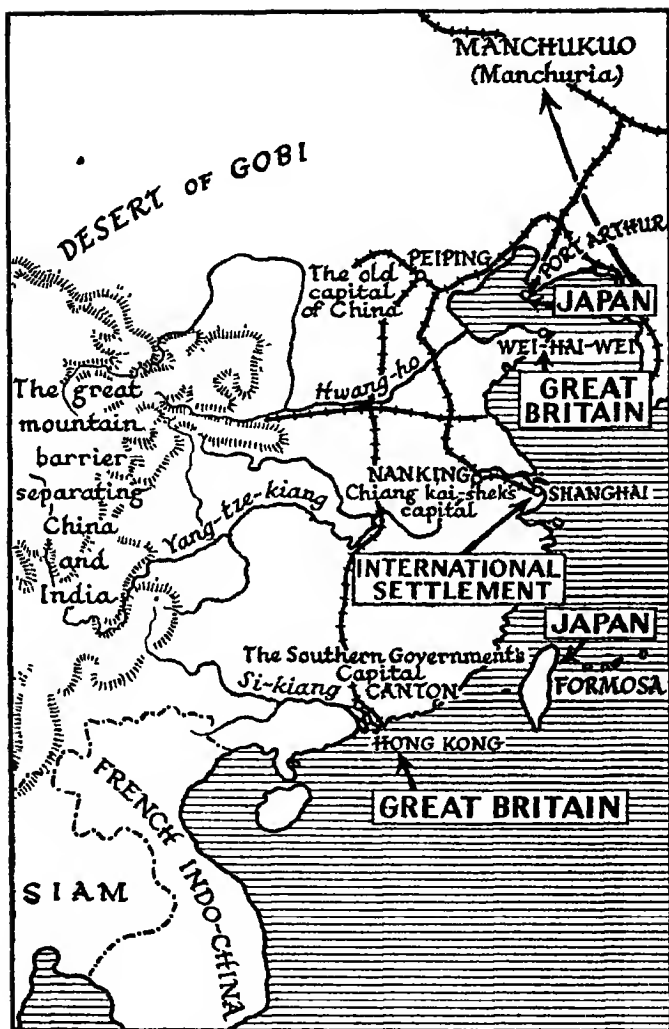


FIG 40—CHINA (1937)

The large rectangles indicate the penetration of China by the Great Powers.



her land to the penetration of the nations of Europe. Later, Japan, as she became more and more westernised, joined in the scramble for concessions and territory. China was forced to sign away by treaty sovereignty over many of her ports, as well as the control of tariffs and the right to try in her own courts all people living within her boundaries. As, owing to the weakness and incompetence of China's rulers, the control of other nations over her territory and resources increased, there gradually grew up a desire both to reform the government and to get rid of foreign dominance.

The defeat of China by Japan in 1894 impressed on the Chinese a sense of their feebleness. Anger both against the foreigner and against the government grew. In 1900 the Boxer Rebellion, an attempt to drive out the "white devils", flared up but was suppressed; in 1911 the Manchu dynasty was overthrown and a republic set up.

The first President was Dr. Sun Yat-sen, a man who has influenced Chinese history as much as Lenin has influenced that of Russia. Before he became President, of the new republic Dr. Sun Yat-sen had had an adventurous life. In 1894 he founded the Young China party. He and his friends attempted to capture Canton but failed, and for over fifteen years he wandered over the world, a price on his head, organising the groups of Chinese living abroad and collecting funds for a Chinese revolution. His period as President was a short one. He was obliged to surrender his office to the war-lord, Yuan-shi-kai, who allied himself with the foreign powers. To spread his ideas Dr. Sun Yat-sen founded the National People's Party, the Kuo-min-tang, which has played an important part in recent Chinese history.

What were the ideas for which Dr. Sun Yat-sen stood? He drew up the famous *Three Principles*, and the little book in which he describes them is read and re-read by those who desire the freedom and prosperity of China with the same reverence a Christian reads his Bible or a

Russian Communist Marx's "Communist Manifesto." The first of Sun Yat-sen's principles is that of Nationalism. China must be a free independent nation, controlling the whole of her territory and accepted on terms of equality by other nations. The second principle is that of Democracy. Government must be of the republican form, that is, by a President elected by the people, and the people must have a full share, through a universal franchise, in deciding how they wish to be ruled. To his third principle Sun Yat-sen gave a name which it is difficult to translate. It has been called the principle of Livelihood or Social Justice. Man needs four essential things, food, clothing, shelter and transport, and the economic life of a people must be so organised that these are guaranteed in full measure to every man and woman. Sun Yat-sen worked out a national programme through which China's natural resources might be used to secure a decent livelihood for all her people. He was willing to use foreign capital and expert technical knowledge to develop these resources, but he insisted that they should be developed in the interests of all and not merely of a few.

Dr. Sun Yat-sen realised that the establishment of his *Three Principles* in practice could not be carried out at once. China was not ready for them. In his *Three Stages Project* he lays down that there must first be a period in which order should be restored by the use of military force. Then the second period could be entered on, that of educating the people. Only when peace had been established and the people educated would it be possible to create a national democratic republic.

In 1925, his work as yet unaccomplished, Dr. Sun Yat-sen died. China was still in a chaotic condition. From 1916 to the present day she has been torn in pieces by the conflicts of rival war lords. First one and then another managed to establish some sort of control over a limited extent of Chinese territory. No one of them was able to bring the whole country under his rule. In the North,

Japan, as will be seen later, took advantage of China's weak and disunited state to seize the province of Manchuria (Manchukuo) and later to extend her conquests southward.

Dr. Sun Yat-sen's ideas, though there are deep and essential differences, have some resemblance to the ideas of Russian Communism. Between 1920 and 1923 Sun Yat-sen negotiated with the U.S.S.R., the one power willing to renounce all the unequal treaties made with China, and in 1923, the Russian, Borodin, arrived at Canton, Sun Yat-sen's headquarters, and helped to re-organise the Kuo-min-tang. Though Borodin claimed that his mission was to help the Chinese revolution and not to try to introduce Communism of the Russian type, attempts were made to spread Communist ideas among the Chinese revolutionaries. In one form or another Communism has had a profound effect, especially in central China where Soviets of peasants, organised on the Russian pattern, were set up.

How events will develop in China it is impossible to say. Though in the face of the attack by Japan the various elements in China are drawing together, though in Chiang-kai-shek she may find a leader capable of rallying a large section of the population, she is as yet disunited, without any centralised controlling power or settled form of government. Dr. Sun Yat-sen's national democratic republic seems a long way off.

Nevertheless the effects of the Chinese revolution have been profound and far-reaching. Ancient institutions and modes of thinking and living, many centuries old, are changing. The strong ties of loyalty to the family are, among the intellectuals at any rate, breaking up; new industries, organised on the factory system, are superseding the domestic industries of the past; a new popular literature is coming into being. For hundreds of years educated Chinese had been brought up on the Confucian classics, written in a language which, on account of its thousands of different word signs, few could hope to learn. So long as this ancient language was the only means of

communicating ideas, China was bound to remain illiterate. It has been the great work of Dr. Hu Shih, the intellectual leader of modern China, to supersede this ancient language by one which everyone can learn to read and write. Thus a modern literature is growing up through which new ideas are spreading and the thought of China being changed.

China is in the melting pot. What will come out of it no one can say.

## CHAPTER 42

### THE RISE AND PROGRESS OF JAPAN

**S**EVENTY years ago Japan was unknown to most Europeans. Like China she had kept her land closed to the foreigner and forbidden her own people to build the ships which might have brought them into touch with the outside world. Like China, too, she had developed an art and literature of a high order. She lived on the produce of her own soil, with her own laws and her own customs. The Emperor of Japan was regarded as a semi-divine being, but most of the power and wealth was in the hands of the Samurai or nobles. The peasants were in a condition of serfdom and their standard of life was very low.

In 1867 everything was changed. Japan opened her ports to foreign trade, reformed her social system, gave land to the peasants and began to develop industries on the model of those of Western Europe. She also adopted the European form of government of an elected Parliament and a Cabinet responsible to it. There are, however, important differences between the parliamentary system as worked out by the Japanese and that found in a country such as Great Britain. Before a bill can become law the Emperor's consent has to be obtained and the Emperor is advised by a group of Privy Councillors who are not members of Parliament. Nor is the army and navy, as in Great Britain, entirely under parliamentary control. The Emperor is in command of both the army and navy, the leaders of which are responsible to him alone. He is regarded as directly descended from the Sun Goddess and obedience to his commands is

recognised by the Japanese as a religious duty. Patriotism is, therefore, to the Japanese something different from what it is to Englishmen. It is a religion.

The rise of Japan to the position of a modern power has been amazingly swift. From a self-sufficient agricultural country she has become highly industrialised, dependent on world markets for her livelihood ; from a land uninterested in anything happening outside her own borders she has launched out on a policy of expansion. In 1894-5, as the result of a successful war against China, she was able to annex Formosa. In 1904 she went to war with Russia, who had been slowly advancing eastward through Siberia, and, to the surprise of the world, soundly defeated that unwieldy power. This victory not only gave her more territory in Manchuria but also raised her to the position of the strongest nation of the East. In 1910 she annexed Korea.

The Great War of 1914-18 made her into a World Power. Since 1902 she had been allied to Great Britain and she entered the War on the side of the Triple Entente. She took little part in the actual fighting. She acted as a policeman in Eastern waters, she developed her carrying trade, she manufactured munitions and war materials for her allies ; like the United States, she made a lot of money. In 1919 she was considered so important that she was given a permanent seat on the Council of the League of Nations.

The end of the war, however, left Japan with a difficult problem to solve. War profits had ceased, she was no longer self-sufficing, her population had risen from 26 millions in 1846 to 56 millions in 1920 and was increasing at the rate of nearly a million a year. Emigration might have helped to solve her problem, but there was no room within her own Empire and such countries as the U.S.A. and Australia were opposed to the emigration of large numbers of men willing to work for a lower wage and accustomed to a lower standard of life than their own people.

The only solution for Japan appeared to be to follow the path Great Britain had followed and become, to an even greater extent, a manufacturing country. Unfortunately she had few natural resources ; her coal and iron supplies were small and, except for silk, she had no important raw materials. If she were to depend for her existence on industry she required both raw materials and markets. At first, under the influence of the military party, who have always had strong influence in Japan, she was inclined to adopt the method of foreign conquest. Russia and China were both weak ; Russia might be driven back, Manchuria annexed and the huge markets of China seized. Such a policy demanded a large navy, and on the building of a great navy Japan set to work. The United States was opposed to a strong Japanese navy controlling the Pacific Ocean and in 1921 war between the U.S.A. and Japan seemed imminent. At the Washington Conference, arranged by the President of the U.S.A., however, peaceful counsels prevailed. Japan agreed to a naval ratio between herself, the U.S.A. and Great Britain of 8 : 5 : 5 and promised not to annex Chinese territory.

Between 1922 and 1930 Japan attempted to develop her foreign trade by peaceful means. Half the population was engaged in agriculture, cultivating rice and the mulberry trees on which the silk-worm is reared. The three great industries were shipping and the manufacture of silk and cotton goods ; the chief markets for the sale of her products were the U.S.A., the British Empire and China. In 1931 the world crisis hit Japan even more severely than it hit any other country. Her foreign trade was reduced by nearly a third ; the price of rice, on which the peasant depended for his livelihood, fell and there was little demand for silk, for the price of both silk and cotton goods sunk as the depression deepened. The decline in the volume of world trade affected her shipping trade and she found her old markets closed to her by the erection of tariff barriers.

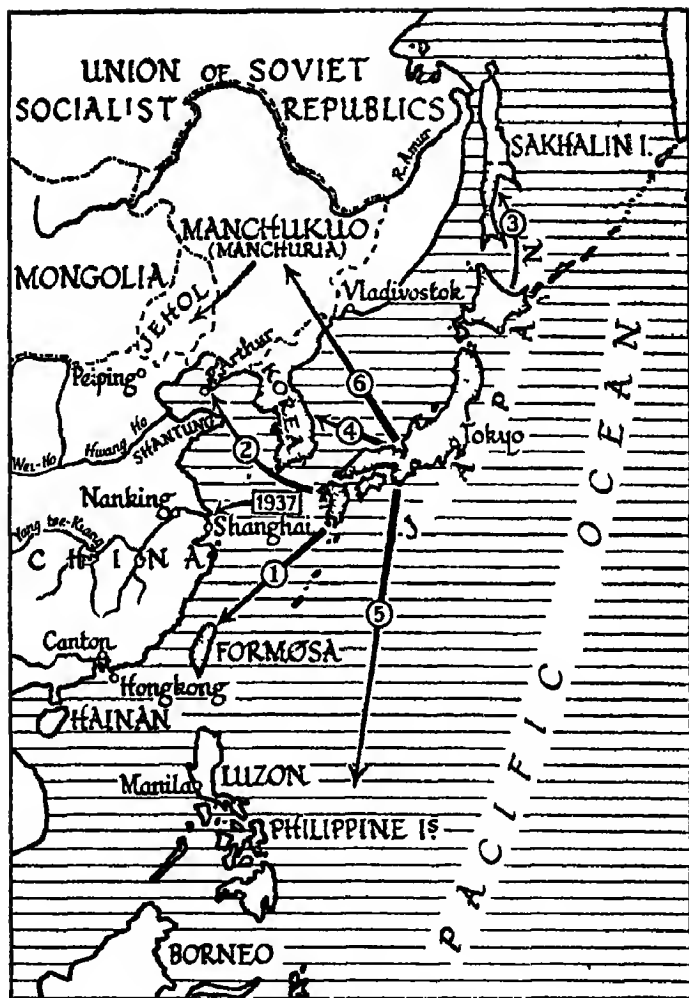


FIG. 41—THE EXPANSION OF JAPAN

1. Formosa 1895. 2. Port Arthur 1905. 3. Sakhalin 1905. 4. Korea 1910. 5. Pacific Mandates 1919. 6. Manchukuo 1931-34 (theoretically independent).



As a way out of her difficulties Japan turned to war. To the north-west lay Manchuria, a part of the Chinese Empire but suffering from the same disorderly government which was found in the rest of China. The control or possession of Manchuria would give Japan many of the things she needed, raw materials for her industries, food to feed her people, coal, iron and oil. In Manchuria, through the South Manchuria Railway Co., which had been formed after the war with Russia in 1904, much Japanese capital had been invested. In September 1931 the explosion of a bomb on the South Manchuria Railway was used as an excuse for virtual annexation. China appealed to the League of Nations but the European powers were too occupied with their own affairs to take strong action. The only result of the League's condemnation of Japan was that she withdrew from the League. The state of Manchukuo, theoretically independent under a Manchu Emperor but actually under Japanese control, was formed. Japanese conquests were extended southward through Jehol towards Peiping, westward through Inner Mongolia.

Whatever one may think of Japan's breaking her promises not to annex Chinese territory or to resort to war, her policy is not difficult to understand. She believes in her own traditions, which one authority has called "the kingly way", and, like some other countries, desires to extend them; she is afraid of the strength of Soviet Russia and wishes to keep Russia as far away from her country as possible; her economic difficulties are acute and the shock she received from the world crisis has convinced her that only by expansion overseas can her economic problems be solved.

The annexation of Manchuria may help to solve some of her problems, but it cannot solve all. The climate of Manchuria is unsuitable for colonisation by Japanese; it can give her no outlet for her surplus population. By concentrating her energies on industrialisation she has sacrificed her agricultural population and her self-sufficiency.

She needs more sources of raw materials, more markets, more land. In the summer of 1937 she started another and more serious invasion of China. She appears to wish to dominate the East. Whether she will succeed only the future can show.

## CHAPTER 48

### POST-WAR BRITAIN

GOOD deal has already been told of the story of Great Britain since the first World War in this book. The part she played in post-war European affairs has been indicated ; something has also been said of the development of her political institutions and the changes which have taken place in the character of her empire. It may now be useful to devote a few pages to a concise but fuller description of Britain since 1918 than has yet been given.

Great Britain had emerged victorious from the War and for a few years after it she appeared to be prospering economically. During the War normal production had ceased. There was much headway to be made up and plenty of work available for the majority of her population. Soon, however, the effects of the War began to be felt.

Before the War Britain's wealth and economic prosperity had to a great extent depended on such industries as coal, iron and steel, cotton and wool, on shipbuilding and shipping and on her position as the financial centre of the world. Now all was changed. Countries which before 1914 had absorbed her manufactures were now manufacturing for themselves or had found other and cheaper sources of supply. Oil and electricity were superseding coal as fuel ; the demand for British coal had materially decreased. A shrunk export trade resulted inevitably in a decline in shipping. America had become a serious rival in the realms of finance and overseas investment. Moreover, the relatively high wages and high standard of living of British workmen made it

difficult for British manufacturers to compete in the world market with countries where wages and standards of living were lower and production costs cheaper.

With the end of the post-war boom came a decline in industry and consequent unemployment. By the middle of 1921 the unemployment figure had passed the two million mark. The introduction of unemployment relief saved the unemployed from starvation, a Safeguarding of Industries Act, in 1921, did something to protect certain key British industries from being ruined by the dumping of cheap foreign goods, but neither of these measures did anything to alter the situation that Britain's old economic supremacy in the world had been lost.

The Labour party, which first assumed office in 1923, was in favour of state ownership of key industries. It had, however, only 191 seats to the Conservatives' 257 and the Liberals' 158. Only by alliance with the Liberals could Labour hold office at all and the Liberal Party was opposed to a Socialist policy.

In the election of 1924 Labour was defeated at the polls and a Conservative Ministry under Mr. Stanley Baldwin assumed office. The Conservative plan was to restore the position of Britain by returning to the Gold Standard, which had been abandoned during the War, and so making the City of London once more the financial centre of the world. It was hoped, too, that Britain's return to the Gold Standard would be followed by other countries and the interrupted flow of international trade improved. This return to the Gold Standard undoubtedly helped English banking and financial interests, but it made the position of the industrialists worse, for it increased the already too high price of British goods in the foreign markets.

In order to lower prices industrialists tried to reduce wages. In 1926 a cut in the wages of the coal miners was announced. The miners refused to accept the cut and threatened a strike. They were supported by the Trades Union Congress and in May of that year a General Strike,

involving a large section of the working population of Great Britain, began. The situation was a dangerous one. Englishmen, as a whole, however, dislike revolutionary methods. When a General Strike was declared to be illegal, the Trades Union Congress gave in, and though for a time the miners continued the strike, they had eventually to accept the cuts imposed by the mine-owners.

Five years later Great Britain had to face an even more severe crisis. We have already described how the slump on the New York Stock Exchange in 1929 started a financial depression which shook the world. Britain's financial stability was shaken, especially when it was revealed that British financiers were lending money for long periods and borrowing for short periods and that, since the Government was spending more than it was likely to receive from taxes, the current Budget would show a large deficit. There was a rush on the part of foreigners to withdraw money invested in London. Since Britain was on the Gold Standard this rush could only be met by payments in gold; British gold reserves were insufficient to meet the demand. £50,000,000 was borrowed from France and America but soon disappeared. Another £80,000,000 was asked for from New York, but New York refused to lend unless the Budget was balanced. The only way that this could be done was by decreasing unemployment payments and lowering the salaries of Government servants. This the Labour Government in power refused to do and fell from office.

A National Coalition Government of Conservatives, Liberals and Labour, headed by Mr. Ramsay Macdonald was formed. Still the withdrawals of foreign capital went on. Within a few weeks the Gold Standard had to be abandoned. In the face of the world depression in trade, moreover, the policy of free imports, which Great Britain had followed for nearly a century, was reversed. An Imports Duties Bill was passed in 1932 which imposed tariffs on foreign goods entering the country. Great Britain had become Protectionist. During the years following

1981 the effects of the slump decreased and prosperity was to some extent restored. Even so there were in 1938 still over a million unemployed.

Since 1914 the whole economic situation of Great Britain has changed greatly and is still changing. No longer is she supreme in industry, the workshop of the world. Though the export of coal and cotton goods is still considerable, the prosperity of these staple industries, on which in the past she relied to a great extent for her wealth, has very much decreased. Whether she will again recover the export trade which played so great a part in her economic prosperity is also doubtful. She is being compelled to follow new ways. More and more is she manufacturing at home goods which once she bought from overseas. By agreements, such as that signed at Ottawa, she is trying to develop trade with the Dominions of the British Commonwealth. New industries, calling for that skilled craftsmanship in which Britain is still supreme, have been developed; light industries, such as the manufacture of motor cars, radio sets and artificial silk, have become increasingly important. The centres of industry are, moreover, shifting from the North to the Midlands and South.

In many ways Great Britain has, since the War, been more fortunate than other lands. In spite of all the strains and stresses which she has had to meet, in spite of the decay of old established industries and the shrinkage of her export trade, in spite of widespread unemployment, the general standard of life of the bulk of her population has very much improved and is higher than in most other countries. Social services, such as education and health, unemployment insurance and old age pensions, have been continuously extended. It is estimated that in these services a British workman receives an additional £1 a week above his wages. Through taxation those who have much of this world's goods are called upon to contribute to the comfort and well-being of those who have less. Though England is not yet the paradise dreamed of by the Socialist idealist,

she is slowly moving in the direction of Socialism—it is interesting to note that some of the more socialistic reforms have been carried through by Conservative Governments—and what has been done in some countries by violent revolution is being carried out in England along the lines of peaceful and gradual evolution. The state has assumed far greater responsibilities than it once did and interferes in and controls more completely the economic activities of the country.

There is a steadiness and stability in the English character which may be the deciding factor in determining her future. This steadiness and stability was revealed during the General Strike of 1926, during the crisis of 1931 and was clearly evident during the days preceeding and following the abdication of Edward VIII. The events which led up to that abdication cannot be discussed here. A very difficult situation was handled with supreme skill by the Prime Minister, Mr. (now Earl) Baldwin, the people of England avoided panic and the monarchy emerged even stronger than before.

What the future holds for our country it is impossible to prophesy. Will she continue to maintain the position she has held in previous years? Will the British Commonwealth of Nations hold together or will the Dominions eventually separate themselves entirely from the Mother Country? Will our parliamentary democracy continue in its present form, will it, as in the past, adapt itself to new conditions or must it eventually give place to some other form of government? In what direction will the organisation of our economic life evolve? These are questions the reader must try and answer for himself.

## CHAPTER 44

### THE WORLD TO-DAY

**I**N this, the last chapter of Part III, which has told the story of our own age, an attempt must be made to survey some of the more pressing problems which face the world at the present time.

At the moment at which I write, civilisation is passing through a difficult and perilous stage. The high hopes once placed in the League of Nations have disappeared; rival forms of political and economic organisation, such as Fascism and Communism, dictatorship and democracy, strive one with another and increase the danger of a conflagration by mutual criticism and abuse. Urged on by suspicion and fear, nations are piling up armament on armament, using for the purpose money urgently needed for social betterment.

One of the chief difficulties in writing fairly about contemporary events is that it is impossible to obtain that exact and certain knowledge which makes unbiased and true statement or clear judgment possible.

How can one yet describe with any certainty or fairness the recent struggle in Spain? What led up to it? First of all it must be realised that Spain is not a homogeneous country. In the development of its people several races have mingled and the spirit of local independence is strongly marked. Moreover, it has until recent times been a backward land, dominated by a reactionary church, army and aristocracy, and far less advanced economically and socially than such countries as Great Britain, France and Germany.

By remaining neutral during the World War Spain increased in prosperity and, in particular, was able to develop



her industry. The increase in her industrial population is an important factor in the development of recent events. During the years since the War she has gone through several upheavals. Between 1923-29 she was controlled by the dictatorship of Primo de Rivera, who tried to re-organise the nation on lines similar to those adopted by Mussolini in Italy. He accomplished a great deal in the modernisation of Spain but, though supported by land-owners and industrialists, his government did not win the imagination of the people as a whole, as that of Mussolini had done in Italy. Under the stresses brought about by the world depression, which started in 1929, his dictatorship collapsed and was later followed by the abdication of the King and the setting up of a republic.

The Republic started well, but a strong section of the Spanish people were opposed to it. In 1936, a revolution, supported by the army, in which Generals Franco and Mola were the leading figures, broke out and Spain was plunged into a bitter civil war.

Civil war is an experience through which many nations have had to go in the course of their development. The Spanish Civil War assumed, however, an international significance; several European nations, by helping one side or the other, attempted to affect the issue. Germany and Italy gave help to General Franco, Russia aided the Republican Government. To some extent the conflict took on the character of a struggle between the rival ideologies of Fascism and Communism. Great Britain, in order to avoid the danger of the Spanish Civil War developing into one in which all Europe might become involved, refused to intervene and strove hard to persuade the other powers to adopt a policy of non-intervention.

In 1939 this bitterly contested struggle ended in a victory for General Franco, to whose government accordingly fell the task of reconstructing Spain.

The rise of Germany after the War and the advent of Hitler to power have been described in earlier chapters.

The crushed and defeated nation of 1919 has again become a great European power, strongly armed, proud and ambitious, bent on winning back, if she can, all that she lost by the Treaty of Versailles; desiring, too, to unite into one nation all people of German blood. The first step towards this end was taken in March, 1938, when German troops entered Austria and the union of Germany and Austria was announced.

It is not for this book to discuss the rights or wrongs of Germany's action. Some would argue that it was another example of her breach of treaty undertakings—for the Treaty of Versailles had forbidden a union of Germany and Austria—and of the use of force instead of settlement by negotiation. Others would maintain that peaceful methods had, chiefly owing to the opposition of France to an Austro-German union, failed; that the union was desired and welcomed by a majority of the Austrian people; that Germany's action prevented civil war; and that only by methods such as those which Hitler employed could union be accomplished.

The second step in Hitler's plan to unite all peoples of German race and to dominate Central and Eastern Europe brought the world to the brink of war. Adjoining Germany lay Czechoslovakia, a state created, as we have seen, after the War. Of the population within its boundaries nearly 25% were of German race. These Sudeten Germans had been restless under Czech rule and had several times appealed to the League against what they considered the unfair treatment meted out to them by the ruling race. In the summer of 1938 an agitation, encouraged by Germany, was started for redress of these grievances, which eventually developed into a demand for union with the German Reich. The relations between Germany and the Czech Government grew more and more strained and it became clear that Hitler would support the claims of the Sudeten Germans if necessary by force of arms. Since France was allied to Czechoslovakia and since, if a Franco-German war started, Great

Britain, Russia and Italy might become involved, a German attack on Czechoslovakia threatened to plunge Europe into a war even more terrible than that of 1914.

It was at this critical moment, when many had abandoned hope of averting a universal catastrophe, that the British Prime Minister, Neville Chamberlain, determined on a bold step; he suggested that he and Hitler should meet face to face to try to find a solution. Of the drama of the next few days this book cannot tell in detail; it culminated in the meeting of the leaders of Great Britain, Germany, France and Italy at Munich and the signing of the Pact of Munich, by which the Sudeten Germans were joined to the German Reich. The price paid by Czechoslovakia was indeed heavy, her territory and resources were much reduced, but a European conflagration was for a time averted.

The Pact of Munich has been criticized by some as a submission to the threat of force. Others, however, argue that if what are regarded as grievances are not redressed by peaceful methods, there is always the likelihood that force will be resorted to in order to redress them, that the boundaries of Czechoslovakia, as drawn up by the Treaty of Versailles, were unsound and that Czechoslovakia had been supported by France as part of a post-war plan of encircling Germany. Any present judgment can only be a tentative one. It may be that history will regard the fate of Czechoslovakia as the unfortunate result of the policy followed by France after the War and of the failure of the League to adjust wrongly drawn frontiers in time.

After Munich many hoped that a new and saner era in the relations of the European powers would be born. These hopes were doomed to disappointment. The intensification of the Nazi persecution of the Jews alienated public opinion, particularly in the United States and Great Britain, while the ultimate destruction of Czechoslovakian independence by Germany gave rise to the conviction in many minds that Hitler's promises were worthless and that he was aiming at the dominance of Europe by force. The result was the

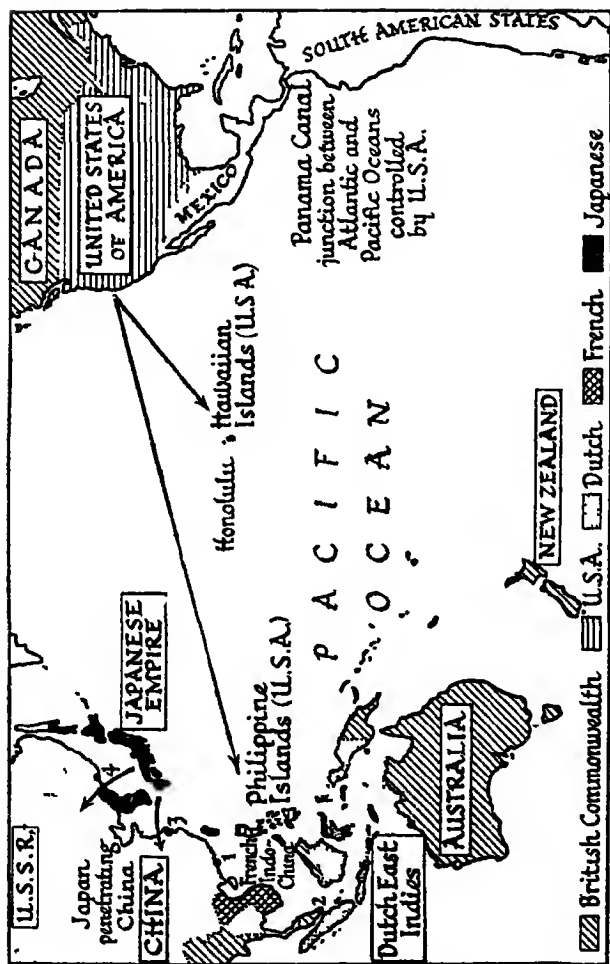


FIG. 42—THE PACIFIC OCEAN

1. Hong Kong : chief British base in the East, commanding way between Pacific and Indian Oceans 2. Singapore : chief British naval and air base in the East, commanding way between Pacific and Indian Oceans 3. Shanghai : international settlement 4. Vladivostok : terminus of Trans-Siberian Railway.

building up of a group of alliances, designed to prevent any further attempt on the part of Germany to expand by forcible methods. In Germany these alliances are violently proclaimed by newspaper and radio as another plot to encircle her and deprive her of her just claims. All offers of a negotiated settlement of these claims she rejects. So the tension between the Axis powers, Germany and Italy, —Italy annexed Albania in the spring of 1939—and the democratic states, far from being lessened, has increased.

Perhaps too little space has been given in this book to problems centring round the second of the great oceans of the world, the Pacific.

A new situation in the Pacific has been created by the rise of Japan to the position of a world power. From the naval point of view this has brought her into rivalry with the U.S.A., which in the past has regarded naval supremacy in the Pacific Ocean as something that was hers of right. Japan's desire for territorial expansion also affects the other powers whose territories border on or who have colonial possessions in the Pacific Ocean, the British Commonwealth, Holland, the U.S.S.R. and China. In 1937 Japan entered on a war to penetrate and gain control of China, a war probably dictated by her desire for raw materials and markets. Other interested nations are fearful lest Japan should become yet stronger and should attempt to dominate the whole of the Far East.

Though Europe is full of fears of war, it is improbable that any European nation desires war. Most people feel that the rapid development of the aeroplane has made war a much more terrible thing than it once was and realise that any new war would involve not only soldiers and sailors but civilians as well. They have already had experience of the disorganisation in the economic life of the world which a long-drawn-out war brings about. Why then are the nations of the world arming, why are they so frightened of each other?

There are several reasons. One is the way in which many people think. They consider that the greatest nations are those which are most powerful and consequently able to enforce their will on those weaker than themselves, who have, as a result of their power, been able to acquire large possessions in the form of colonies and natural resources. The reason for Germany's rearming was that while she

### SURPLUS & DEFICIENCY IN RAW MATERIALS AMONG SEVEN GREAT POWERS

	IRON	COAL	OIL	COPPER	COTTON	RUBBER
BRITISH EMPIRE	○	+	—	○	slight	+
UNITED STATES	○	+	+	+	+	—
U.S.S.R.	○	○	+	slight	○	—
FRANCE	+	slight	—	—	—	—
GERMANY	slight	+	—	—	—	—
ITALY	—	—	—	—	—	—
JAPAN	—	○	—	○	—	—

Aluminium, made from bauxite, is used as a substitute for copper: France produces 40%; Italy 10% and Hungary 10% of world supply of bauxite.

+ surplus for export: ○ sufficient for own needs: — deficient

FIG. 43

was unarmed she was at the mercy of nations more strongly armed than herself, who were consequently able to do what they wished with her.

Another reason is that the resources and territories of the world are very unevenly distributed. Some nations, such as Great Britain, have, as a result of their history, acquired vast colonial empires, have at home and overseas large resources and, owing to their sound financial positions, are able to buy freely what they need. Others, such as the United States of America and the U.S.S.R., are of great

size and well supplied internally with the key commodities on which prosperity depends. Others, such as Germany, Italy and Japan, have few, if any, colonies and so enjoy no outlet for their surplus populations. The sources of raw materials they control are limited and, owing to lack of credits, they are unable to buy freely in the world market. Consequently the standard of life of their peoples falls below that of the more fortunately placed nations.

Unequal division among the nations of territories and raw materials and, perhaps more important, the inability of some nations to buy easily the products which other nations are only too anxious to sell are not the sole causes of rivalry and friction, but they are important ones, the removal of which would do much to bring about appeasement.

How a better state of affairs might be brought about is a difficult problem. While a more equitable distribution of colonies is desirable, only a small part of the world's resources is to be found in the colonies of the Great Powers. The problem, according to some, is one of finance and international economic organisation rather than of distribution of territories. The main objective is to discover a means whereby every nation may be able to get easily the raw materials and other commodities it needs.

More than that is, however, necessary. So long as vast territories are regarded as a sign of national greatness, so long as nations believe in force as the easiest means of getting what they want, so long as each refuses to trust and believe in the good intentions of its neighbours, so long as greed, suspicion and fear rather than co-operation, understanding and confidence dominate the policies of statesmen and the minds of peoples, there can be but little prospect of the emergence of those conditions which alone can ensure a peaceful, prosperous world.

**PART IV**  
**THINGS THAT INFLUENCE**  
**OUR LIVES**



# SCIENTIFIC DEVELOPMENT

<b>19<sup>th</sup> CENTURY</b> New knowledge of the material universe: astronomy and geology (the vast age of the solar system); origins of life (evolution) Development of electrical science Growth of chemical knowledge. Advances in medicine and surgery	1790	
	1800	Jenner introduces vaccination
	1810	Dalton's atomic theory
	1820	Avogadro's hypothesis
	1830	Wöhler synthesizes urea
	1840	Faraday's discovery of electro-magnetic induction Lyell's Principles of Geology
	1850	Simpson discovers chloroform
	1860	Darwin's Origin of Species
	1870	Clerk Maxwell's electro-magnetic theory of light
	1880	Lister introduces antiseptic surgery Pasteur and Koch: bacteriology
<b>20<sup>th</sup> CENTURY</b> Increased knowledge of nature of universe and the structure of matter Theory of relativity Atomic radiations: cosmic rays	1890	
	1900	Ross: malaria mosquito Röntgen discovers X-Rays
	1910	Curie: radium
	1920	Rutherford's nuclear theory of the atom Einstein's theory of relativity
	1930	
	1940	Transmutation of elements

FIG. 44

## CHAPTER 45

### THE COMMUNICATION OF FACT AND IDEA

**W**ERE there time and space one would like to tell in this book of the achievements of modern science in the realm of medicine and surgery, of Sir James Simpson and the discovery of anæsthetics, of Lord Lister and the introduction of antiseptics, of Jenner and his experiments in the use of vaccines, of the discoveries of Pasteur and Koch, of Madame Curie and her researches into the use of radium, of all the work which has been done during the last hundred and fifty years to improve health, to combat disease and pain and so to make life better and safer. One would like to write also of the work of astronomers and physicists, of far-reaching researches into the nature of matter and energy, of the experiments with atoms and electrons. One would like to tell in detail of the work of geologists and biologists, of new conceptions of the formation of our earth and the evolution of life. All these researches and discoveries have resulted in fresh ideas of the nature of the universe and the position of man in relation to time and space. Important as these studies are there is no space for them to be followed in detail here.

It is difficult for a boy or girl of the present day to realise how swiftly the world has changed in recent years. To them motor cars and aeroplanes, cinema and radio are so much bound up with their ordinary lives that they cannot easily realise there are people alive who lived in a world where none of these things were present. In a sense these people lived in a bigger world, less interconnected, more divided.

One of the greatest achievements of modern times has been the conquest of distance. We have seen the gradual achievement of this conquest as we have described in previous pages the evolution of new forms of transport and power, whereby men and goods can be carried swiftly and easily over the earth. Science has, however, not only made possible the swift movement of men and goods, it has made possible, too, the even swifter transmission of facts and ideas. We must now consider briefly the development of communication in modern times.

The first step in the evolution of communication between man and man occurred when men first learnt to frame spoken words. At that stage mankind remained for untold ages, until, some six thousand years ago, the art of writing was discovered. It was an epoch-making discovery, for by means of writing ideas could be perpetuated from age to age in a way which was impossible when all knowledge had to be handed down by word of mouth. Not until comparatively recent times was the next step taken. The discovery of printing by the Chinese about 600 A.D., by Europeans not until nearly a thousand years later, in the fifteenth century, increased the means of communication a hundredfold. The sources of knowledge were made available for a far greater number, the transmission of facts and ideas became easier and more reliable. But though by means of writing and printing the possibilities of communication were much improved, communication remained slow until distance had been partially conquered by the invention of swifter means of transport.

With the discovery of electricity a new era dawned. Something has been said of this discovery in Chapter 8, where its use as a source of power was described. The earliest use of electricity was not, however, as a source of power but as a means of sending messages along wires. Two methods were tried. The first was originated by Ampère in 1820, though his work was not perfected until some twenty years later. By this method a needle,

# TRANSPORT AND COMMUNICATIONS

	1790	Semaphore used in France
	1800	Volta produces electric current
Fulton's steamboat	1810	
	1820	
Stephenson's Rocket	1830	Ampère's experiments on an electric telegraph
Screw propeller invented	1840	Morse's telegraph
Railway and steamship development proceeding	1850	Cross-Channel cable laid
↓	1860	
	1870	Trans-Atlantic cable laid
	1880	Bell's telephone
Daimler's internal combustion engine.	1890	Hertz's experiments on electro-magnetic waves
First steam turbine		Marconi introduces wireless telegraphy
Diesel's oil engine	1900	
First aeroplane flight		Fleming's thermionic valve prepares way for broadcasting
Bleriot flies English-Channel	1910	
Atlantic crossed by aeroplane	1920	Broadcasting introduced
Imperial Airways founded	1930	
England to Australia in 3 days 21 hours by air	1940	Television coming into general use

FIG. 45

working on a dial, was made by means of an electrical current to point to the letters transmitted. By the other method, invented by Morse in America and patented in 1835, a current was sent along a line for a longer or shorter period, thus making a series of dots and dashes, which were arranged in sets so as to give a code for all the letters of the alphabet. It was the latter method which eventually came into general use.

The construction of land lines for the carrying of messages was a comparatively simple matter. To connect up countries separated by seas and oceans was a more difficult task. The first line connecting England and the continent of Europe was not laid until 1851, that linking up England and the United States not until 1866.

Messages in Morse could only be sent in code by skilled operators. The invention in 1876 of the telephone by Graham Bell enabled the human voice to be carried through space and be heard clearly at the other end of the wire.

Since the days of Morse and Bell great improvements have been made in their inventions. A more sensitive instrument than the Morse telegraph was needed to transmit messages across the ocean. To meet the need Lord Kelvin invented the mirror galvanometer and the siphon recorder. Speed and method of transmission were increased and improved. In 1850 only fifteen letters a minute could be sent, nowadays it is possible to send over two thousand. Not only can messages in words be transmitted, it is possible also to transmit photographs through space. As a result of telegraph and telephone the whole world has been linked up. A business man in London can give instructions to his agent in Tokyo with ease and certainty. News of events happening in one part of the globe can be known in another, thousands of miles away, almost as soon as they have taken place.

More wonderful than telephone or telegraph as conceived of by Morse, Bell and their followers was the method, discovered in the latter years of the last century, of sending

signals through the ether without the use of wires. The inventor of wireless telegraphy was an Italian, Count Marconi, but his work was based on that of two scientists who preceded him. In 1865 Clerk Maxwell put forward his electro-magnetic theory of light. According to this theory electricity is propelled through space by a wave motion similar to the wave motion of light. Shortly before 1890 Hertz was able to find a means of detecting and examining these waves. Marconi discovered a way of putting these discoveries to the practical use of transmitting messages without employing wires. By 1899 wireless messages could be sent nearly a hundred miles. Two years later Cornwall and Newfoundland, separated by a distance of 2,000 miles, were in communication by wireless telegraphy.

But more was to come. As the telegraph of Morse was followed by the telephone of Bell, so the wireless transmission of signals, discovered by Marconi, was followed by further inventions which enabled the human voice to pass through the ether and be picked up at the other end. The author of this book can recall the rather sceptical reception given in an R.A.F. mess in the latter years of the Great War to the rumour that aeroplanes were to be fitted with an apparatus whereby a squadron leader would be able to direct the movements of his squadron by actual voice. Yet by 1920 the broadcasting of entertainments had begun in Canada and in 1922 the British Broadcasting Corporation was formed. By 1938 television had become a fact.<sup>1</sup>

<sup>1</sup> A fuller exposition of the topics dealt with in this Chapter will be found in Wells: *Work, Wealth and Happiness of Mankind*, and Hogen: *Science for the Citizen*.

## CHAPTER 46

### RADIO AND CINEMA—THEIR USE AND ABUSE

**H**OW epoch-making, how significant is the introduction of radio broadcasting it is impossible to exaggerate. Mechanical transport, telegraph and telephone have linked up the world in a way that a man living on the eve of these great inventions could hardly have anticipated. Wireless telegraphy and radio broadcasting have drawn the links closer still. Not only are facts and ideas, music and drama, instruction and entertainment, made available through the radio for all in their own homes by pressing down a switch and adjusting a few controls, but living people have also been brought closer together. The great personalities of Britain and of the world have become almost as real to us as our next door neighbours. The voice of the King-Emperor can, on Christmas Day, be heard by the millions of his subjects scattered in every corner of the world; statesmen of all parties can put forward their policies in a way far more vivid than through the medium of cold print; the American President can be heard by huge audiences on both sides of the Atlantic; the Pope, lying on a sick bed in the Vatican, can speak in paternal tones to those who look to him for guidance and help.

This essential closeness of everything brought about by radio broadcasting was particularly evident when, in January 1936, a King who had led his peoples through years of stress and difficulty lay dying at his country house at Sandringham. Many readers of this book will remember how about nine o'clock on the evening of January 19th

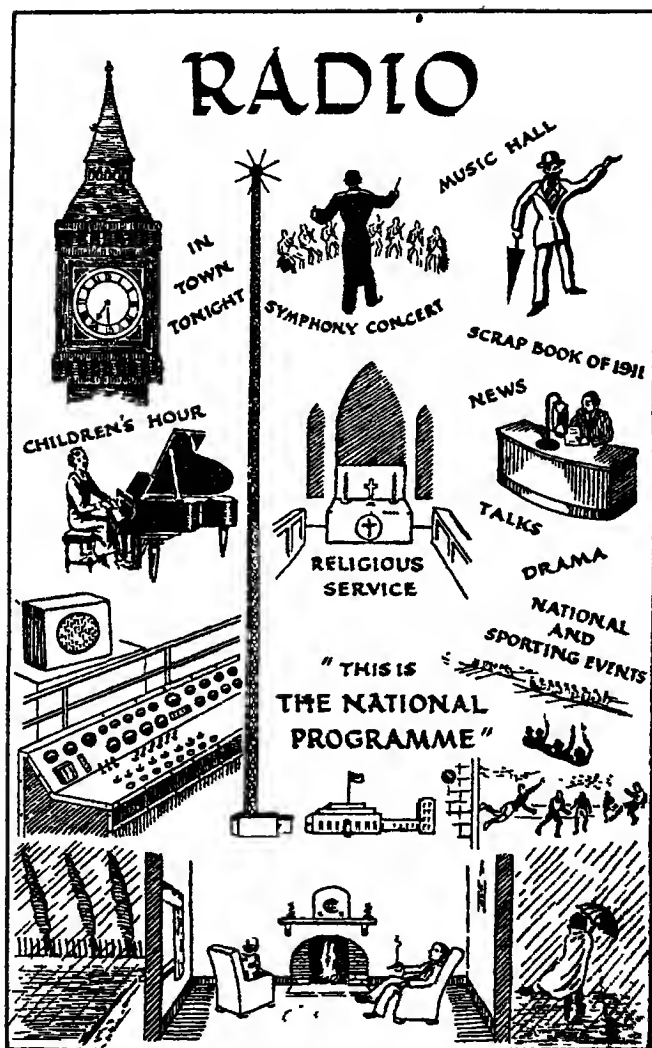


FIG. 46



the ordinary programmes stopped. There was a pause; one wondered what was happening. Then came a voice: "London calling the British Empire. The King's life is drawing peacefully to a close." Each quarter of an hour the same announcement was repeated until, shortly after midnight, we heard that the reign of George V was ended. Every corner of the world had, minute by minute, watched its passing. A man listening, by a radio set in the out-backs of Australia had been almost as close to the event as if he had sat in a room at Sandringham. Less than a hundred years ago the news would not have reached him for several months. Perhaps even more significant and striking was the broadcasting in May 1937 of the Coronation of George VI. For the first time in history a King was anointed and crowned almost literally in the presence of the peoples of an Empire numbering five hundred million souls scattered throughout every corner of the globe.

Until quite recently it was difficult for those who did not live in large towns to hear good music played by a first-rate orchestra without a good deal of trouble and expense. Even those who lived in London or Manchester had to go to the concert hall itself to hear the music. By means of the radio a wide choice of music of every sort is available at practically no cost at our own firesides. We may hear just what we like, for the wireless set can be turned on or off as we will. While a concert heard on the radio lacks something of the volume, tone and balance which can only be had in the concert hall itself, nevertheless we can explore the whole range of musical composition in a way which would fill us with wonder were we not so accustomed to it.

Plays, too, we may hear, though much is lost owing to the fact that we cannot see the actors. In some ways radio drama compares poorly with a real play, with its movement, colour and light, seen in a theatre. Nevertheless it is discovering a technique of its own and such radio plays as Harold Temperley's "Twenty Years After" and A. A.

Milne's "Music from the Sea", to give only two examples, accomplished something impossible to the ordinary stage.

Very valuable work is being done by the radio in educating men's minds, in giving them new knowledge and introducing them to new ideas. Lectures and talks are given by experts in many fields and are listened to by hundreds of thousands who would not trouble to get the same information from books.

Nor is one limited to broadcasts from stations in one's own country. Anyone whose set is good enough may tune in to Paris or Berlin, Vienna or Budapest, Rome or Moscow, hear the music of all lands and, if he is proficient in languages, discover what other nations are thinking about current affairs.

Beneficial as radio may be if properly used, there are dangers to be avoided. Programmes are being relayed most of the day and it is easy to fall into the habit of keeping the wireless set going the whole time. The result cannot be anything but disastrous. Even as those who live in great cities become so accustomed to the din of traffic that they hardly hear it, so, if one lives with a continuous background of music and talk from a wireless set, one's capacity for real listening becomes dulled. There are times, such as in a restaurant, when a background of light music, to which one only half listens, may be pleasant and harmless. If one is to use radio to the best advantage, however, one must learn not to use it too much. If one is to learn really to appreciate fine music, one must learn how to listen; one must, by practice, cultivate a capacity for concentrated attention.

There is another danger in broadcasting. Before wireless sets became common those who wanted knowledge had to search for it in books, a much greater mental labour than listening. In so far as broadcast talks lead to more thinking and reading they are valuable; as a substitute they may be definitely harmful.

Yet another danger lies in the possibility of the radio

being used for purposes of political propaganda, as a means of creating a uniform mass opinion. The dictator countries have realised the value of the radio and have become very skilful in employing it to mould the ideas of their citizens along the lines the leaders desire. In a later chapter we shall discuss how our minds may be at any rate partially inoculated against the insidious evils of mass suggestion.

In some countries, notably in America, broadcasting has been exploited commercially. This has not been allowed to happen in England. The B.B.C. is a Corporation controlled by a special Act of Parliament, and its policy and choice of programmes have not been influenced by a desire for private profit. Broadcasting has thus become of great educational value. Unhappily this cannot be said of another important and influential invention of our age, the cinema.

What the cinema might have become had it, in its early stages, been directed and controlled by men of taste and public spirit one cannot say. It has, unfortunately, become a vast industry conducted for private profit. The pictures made and shown in cinemas are those which the producers and exhibitors think will appeal to the largest number of people and so make the most money. To produce a film is very expensive and those who have invested their money in the production cannot afford to take risks. Many of the pictures therefore which one sees at an ordinary cinema are tasteless and silly; some are, moreover, definitely harmful and immoral. The contention that constant and indiscriminate attendance at the cinema leads to crime is probably exaggerated; it may, however, lead to dulling of the brain.

In spite of the fact that many films are bad, the cinema can, if used with discernment, be a source of pleasure and enlightenment. Producers like Alexander Korda and Capra, Hitchcock and Rene Clair have used the cinema as a medium of true artistic expression and have made pictures of real worth. Through the cinema one may enlarge one's experience and knowledge of men and customs and countries.

Although all historical films may not be strictly accurate, yet one may gain through them a clearer idea of other ages and the march of past events. For purposes of education the cinema may prove to be of great value.

How may it be used to the greatest advantage? As with broadcasting, so with the cinema, discrimination is necessary. One must learn to distinguish the good from the bad, the picture with artistic merit from the food for half-wits. Knowledge of film technique is valuable in order that one may be able to see what effect the producer is trying to get. One must avoid the drugging effect of going to the cinema too often. One must become a student of the cinema, and a fascinating study it is, without becoming a "film fan".

Like the radio, the cinema is a modern invention. Though the American inventor Edison claims to have been its originator, it is known that several others were working on similar lines in the last decade of the nineteenth century and contributed towards the form the invention eventually took. Probably the first moving picture thrown on a screen was that shown in 1890 to a casual policeman, who was dragged by an Englishman, Friese-Greene, in a state of great excitement into his little laboratory to be shown the new wonder. The early films were crude and jerky. The application of sound was not effectively introduced until some thirty years after the first silent films appeared. Indeed the almost entire elimination of the silent film by the "talkie" in the ordinary cinema only dates back to the late twenties of this century.

Like radio the cinema is one of the most important manifestations of our age and has had a profound influence over our life and thought.

## CHAPTER 47

### THE INFLUENCE OF THE PRESS

**T**HE significance of the invention of printing has already been referred to in an earlier chapter. It introduced a means of permanent communication between mind and mind and a method of transmitting knowledge which was of vast importance. When Caxton set up his printing press in England in the fifteenth century he can hardly have anticipated what far-reaching developments would grow out of the little hand press which printed "The Golden Legend" and "The Dictes and Sayengis of the Philosophres." Mechanical means of book production and the replacement of rag-made paper by paper made from wood pulp have enabled books to be turned out in vast quantities at a cheap price. Anyone who wishes can now possess a library. The treasures of human knowledge and imagination are available to all.

This mechanisation of production and these new sources of paper supply have also made possible the modern newspaper, which, with the radio, pours out a constant day to day supply of news from all parts of the world. Not only do newspapers provide news they also, to a greater or lesser extent, direct and educate public opinion. They supply the material used by the majority of people in forming their attitude on social, political and economic questions. In countries ruled by dictators newspapers are controlled by the government in power, in democratic countries they are, within certain limitations, free to publish such news and put forward such opinions and criticism as they wish.

In a country where all are called upon to share in government the character of the Press is a matter of great importance. It is obviously desirable that those who, by their votes, decide what policy the country shall pursue should have at their disposal the fullest possible information about current events. It is desirable too, that all should know clearly how far the Press is in reality free, under what limitations it works and to what extent the news it gives and the opinions it puts forward can be relied on.

Up to 1870, when the School Board Act made elementary education compulsory for all, the majority of the population of Great Britain was illiterate. There were few newspapers and those that existed, such as the *Morning Post*, founded in 1772, and the *Times*, founded in 1785, wrote for a small educated class. As more and more of the population learnt to read the potential newspaper public increased. It was not, however, educated enough to appreciate the sort of newspaper which then existed. Men such as Lord Northcliffe saw that there was a place for a different sort of newspaper, which would bring itself down to the level of the vast new circle of those who had learnt to read but not to think. The modern popular press came into existence.

A more far-seeing man might have realised the greatness of the opportunity which was offered and used it to educate the new type of newspaper reader. Lord Northcliffe was in many ways a man of genius but he lacked the bigness that the occasion demanded. He gave the public what he thought they wanted and thereby made a fortune; he did not give them what they needed to make them into clear-thinking citizens. The popular Press still to a great extent bears the impress and character he gave to it and the fierce competition between different newspaper proprietors for the halfpennies and pennies of the newspaper public has prevented the rise of a more enlightened policy. Everything must be made easy and interesting: sensation and shrieking headlines tend to elbow out sound news and lucid, helpful criticism. It is almost impossible from

most newspapers to get any sort of clear picture of what is happening in the world, what nations and people are thinking, what is important and what unimportant. While there may be little deliberate suppression of truth, facts are chosen and presented in the way which the newspapers think will have the widest appeal.

For newspapers are commercial undertakings, owned by shareholders. Their object is to make money and their policy is to get the biggest circulation and so make the biggest revenue. Moreover, a newspaper is very expensive to produce and distribute. Newspaper readers demand a great deal for their money. Indeed, newspapers in their present form could not be produced at all were it not for the revenue derived from advertisements, and the price that advertisers are willing to pay depends on the circulation of the newspaper, that is, on the number of people who will see the advertisements. Newspapers are, in the interests of their shareholders, compelled to play for safety, to produce what they think will sell, to flatter and amuse their customers.

How far is the Press in England free? It is not, as in Germany, Italy or Russia, controlled by the Government in power; in a sense an English newspaper may say what it likes. It will take care, however, not to say anything which will decrease its circulation, it will say nothing which is likely to offend those who advertise in it. These two considerations limit the freedom of the Press far more than is outwardly apparent.

What a newspaper prints is, moreover, controlled by the law of libel, which is exceedingly complicated. It is obviously desirable that there should be protection by the law against malicious and false statements and accusations. Nevertheless, the English law of libel has the effect of limiting the freedom of the Press in speaking its mind freely. In America and France, where the law of libel is different, newspapers can be and are more outspoken. Some would consider that they are too outspoken and that their often

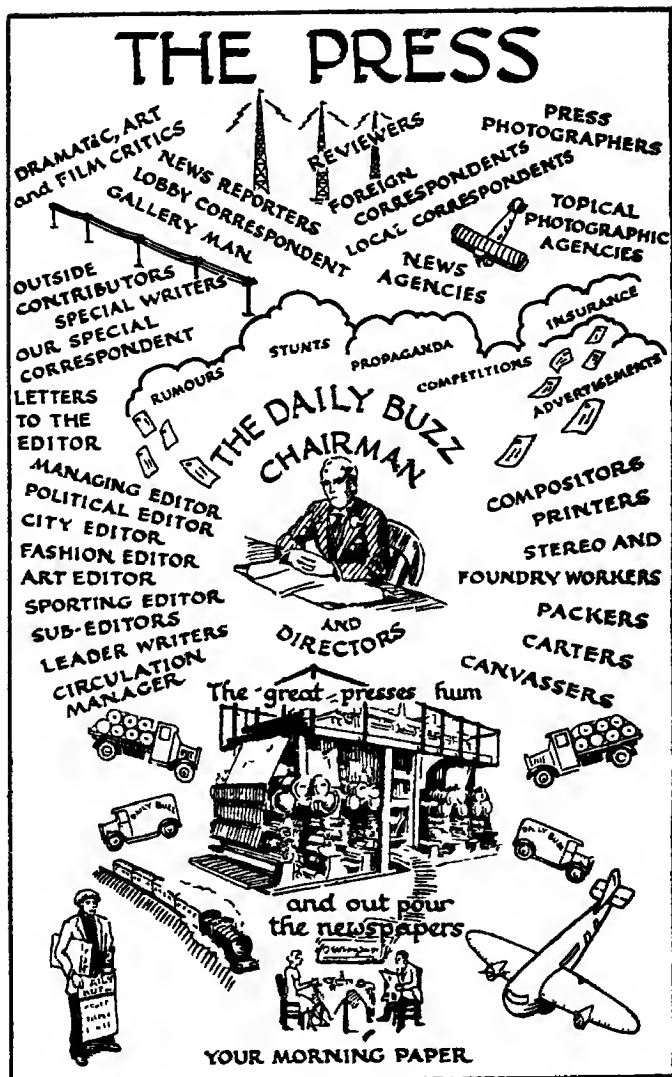


FIG. 47



virulent attacks on public personages transcend the bounds of what should be permitted.

Even if one reads several, it is difficult to get an un-biassed picture of events and opinions from newspapers. The majority of English newspapers are controlled by a small number of combines. Five large groups control five-sixths of the circulation of the London morning, evening and Sunday newspapers and have large holdings in the provincial Press as well. Between them they control ten out of the thirteen London dailies and six out of ten Sunday papers, with an average circulation of eleven and a half millions on week days and nine million on Sundays. Of the two daily papers<sup>1</sup> independent of these groups the *Times* has an average daily circulation of about 186,000 and the *Daily Worker* of 58,000, while the total circulation of the four independent Sunday papers, including the *Observer* (220,000) is 4,146,000, of which the *News of the World* claims 3,350,000.<sup>2</sup> While there is of course no reason why a newspaper owned by a combine should be any less truthful than one independent of it, in reading a number of newspapers, in order to gain a variety of opinions, it is necessary to know to which combine each paper belongs and what is the attitude of the combine to events.

There are various means a newspaper may use to influence public opinion. The obvious way is by the definite statement of a point of view in the leading article ; there are, however, less obvious and more subtle ways. It may be done by the use of headlines and different sizes of type, those things which the newspaper wishes to impress on its readers being given greater prominence than those to which it desires them to attach less importance. It may be done by the choice of news to be included. Unwelcome facts may be entirely suppressed, the views of a politician

<sup>1</sup> Up to 1937 the *Morning Post*, which had a daily circulation of about 123,000 was independent. In 1937 it was merged with the *Daily Telegraph*.

<sup>2</sup> The figures given are taken from Soames : *The English Press*.

of whom the paper approves may be reported in full while those of his opponents be given little space. It may be done by means of the emphasis placed on the facts. For instance, a newspaper supporting the Government may concentrate attention on the fact that unemployment figures have gone down, an Opposition paper may point out that they are still very large ; one paper will emphasise the bright side of a situation, another the dark side. Another common method is by the use of reiteration ; the same facts, the same point of view, are printed, sometimes in the same form, sometimes in a different one, day after day. One must have a trained and watchful mind if one is to prevent oneself from being unconsciously influenced by this subtle means of propaganda.

How facts may be distorted and falsified when passions run high may be illustrated by the following extracts, all purporting to describe the same incidents. The first is from a German newspaper, the *Kölnische Zeitung*, and simply tells how, when the news of the German capture of Antwerp became known, the church bells of Cologne and other German towns were rung as a sign of rejoicing.

"When the fall of Antwerp got known the church bells were rung."

The French paper, *Le Matin*, reported it as follows :

"According to the *Kölnische Zeitung* the clergy of Antwerp were compelled to ring the church bells when the fortress was taken."

The English paper, the *Times*, took up the tale :

"According to what *Le Matin* has heard from Cologne, the Belgian priests who refused to ring the church bells when Antwerp was taken have been driven from their places."

The Italian paper *Corriere della Sera* went one better :

"According to what the *Times* has heard from Cologne, via Paris, the unfortunate Belgian priests who refused to ring the church bells when Antwerp was taken have been sentenced to hard labour."

Finally the incident was twisted by *Le Matin* into this :  
 " According to information to the *Corriere della Sera* from Cologne, via London, it is confirmed that the barbaric conquerors of Antwerp punished the unfortunate Belgian priests for their heroic refusal to ring the Church bells by hanging them as living clappers to the bells with their heads down." <sup>1</sup>

When countries are at war, however, truth has a habit of flying out of the window.

What should ideally be required of a newspaper in order that it may carry out properly its function of educating and directing the citizens of a democratic state and of enabling them to fulfil their political duties effectively? It must, first of all, give them as full and unbiassed a summary of what is happening in the world as possible, suppressing nothing that is of importance, however unwelcome and unpalatable it may be. It must also attempt to interpret the facts it records so as to explain their meaning and significance. Interpretations, however, vary and in order fully to appreciate what people of different types and nationalities are thinking, a day to day summary of world comment and opinion on important matters is essential. The *revue de la Presse*, i.e. the printing of extracts from newspapers representing different points of view, is more common in France than in England. A newspaper has every right to try and convert its readers to its own point of view—it is the function of the Press to educate public opinion—but, since few people have time to read more than one or two newspapers, if a paper omits everything that is unfavourable to its own policy, whether it be fact or opinion, it may give an entirely false and one-sided impression of the course of events. Few English papers give any clear idea of how our policy and actions are regarded by other nations.

It is essential that one should not give a false impression and that one should be scrupulously fair in one's estimate.

<sup>1</sup> These quotations are taken from Lord Ponsonby : *Falsehood in War Time*.

While the English popular Press may not have risen to the heights which it might have attained under more enlightened direction in its early stages, the lead it has given to the nation in times of crisis has often been admirable ; it has often shown itself capable of a commendable reticence and sanity ; it has usually avoided that violence of attack on political opponents and that blatant vulgarity sometimes found in other countries. The best English newspapers such as the *Times*, the *Daily Telegraph*, the *Manchester Guardian* and some other great provincial papers, are balanced in their opinions and restrained in their presentation of news and criticism, while there are in existence a number of weekly reviews and journals to which one may turn for enlightened criticism of art and literature as well as of national and international affairs.

News coming in from every corner of the globe, huge machines turning out millions of newspapers a day, millions of men and women reading them and being influenced by them, how great is the power of the Press ! How essential too that its readers should be able to read with discrimination and intelligence !

## CHAPTER 48

### CAN OUR MACHINE AGE PRODUCE BEAUTIFUL THINGS ?

**T**RUE education demands a knowledge of the arts. One cannot claim to be in any real sense cultured unless one has learnt to detect and appreciate beauty in word and form and sound.

There is no room in this book to write about modern literature or modern music. It will be interesting to enquire, however, whether our own age has, as a result of its particular characteristics, made any special contribution to art in its practical form. Has it produced any beauty which is peculiarly its own ?

Art is timeless. The great writer, the great painter, the great musician, the great architect belong not merely to their own age but to every age. We may enjoy the plays of Shakespeare as much as those of any modern dramatist, we may prefer to listen to the music of Bach and Beethoven rather than to that which is now being written in Russia, we may still take delight in a painting of Michaelangelo or a house by Christopher Wren, because while all these writers, musicians, painters and architects belonged to their own age, there is something universal in their work, something of permanent beauty.

Nevertheless different epochs have produced things particularly characteristic of them, which have come out of their particular mode of thinking and living. For instance, the religious atmosphere of the Middle Ages gave birth to the Gothic cathedral, the spacious, cultured mode of living of the aristocratic society of 18th century England is expressed in its dignified architecture, its carefully laid out parks and gardens and its delicate furniture, porcelain and glass.

To what has our age given birth? It is an age of machinery, of scientific achievement, of the discovery of new sources of power and of new materials. In its beginnings it certainly did not produce beauty. Some artists have claimed to find beauty in the massing of factory chimneys against a night sky, in the glow of slag heaps, in the tumbled roofs of an industrial town. The early factories were not, however, beautiful things nor could one call the badly planned, jerry-built towns, canopied with their palls of smoke and fumes, which sprang up round them, anything but hideous. Nor would one defend the taste of the 19th century, with its over-decorated, badly proportioned architecture, its ostentatious furniture and general fussiness and lack of discernment.

As men gained in power, however, and came to see more clearly the possibilities of the things they had discovered, a change took place. We may rightly claim that our own age is finding out a beauty particularly its own.

In the first place the great modern machine is, in its own way, itself a thing of beauty and this beauty has been gained not by a conscious attempt to make the machine beautiful but from the fact that it is supremely efficient for its purpose. There appears to be a definite connection between true beauty and complete suitability for the purpose for which a thing is made. We shall see this more clearly when we come to write of modern architecture.

In the second place we are working with a number of new materials, capable of being used in ways in which the materials available to our forefathers could not be used. The three chief new materials are concrete, with its derivative ferro-concrete, steel, and glass of a sort not before available. These new materials allow of construction in forms not previously possible. Moreover, these new materials tend to dictate the forms, which we are gradually discovering, in which they may be used most effectively and appropriately. If we are to discover the particular beauties created

by our own times we must go to the huge towering skyscrapers, the wide-flung bridges, the great ocean-going liners, all the children of steel. Increased experience has enabled all these to be built with supreme loveliness of design. Indeed it has been said that the liner is the modern equivalent of the Gothic cathedral. One may find beauty, too, in the shape of a streamlined railway engine, in motor 'buses and motor cars—a well designed motor car is a truly beautiful thing—in glass and steel factories or in ferro-concrete power stations.

So we reach modern architecture, the architecture of steel and concrete, or of the use of brick and stone in ways different from those in which they have been previously employed. Some of it is pleasing at first sight. If our taste has been trained to dislike fussiness and unnecessary decorations its severe lines and plain surfaces give us pleasure. Some of it we may, however, find disturbing. It takes shapes so unlike those to which we are accustomed, shapes which at first seem to us definitely fantastic. It must be remembered, however, that everything new is not necessarily good and much of modern architecture is experimental, an attempt to escape from what is felt to be defective in the work of the recent past, an effort to find out the right way to use new materials. Some modern architects believe that one should concentrate entirely on what the building is intended to be and allow it to take the form which its function suggests. There are some who think that the Shakespeare Memorial Theatre at Stratford-on-Avon looks like a jam factory rather than a theatre. Yet when we come to examine it we find that its outside shape was primarily dictated by what it had to be inside to make it an efficient building for its purpose. The architect's aim was to produce a workmanlike theatre and to a large extent let the outside shape take care of itself. The functional architect, as he is called, maintains that if a building is exactly adapted to its use then its design is bound to be right, that supreme efficiency will result in perfect beauty.

As we have seen, the new materials which the modern builder uses allow of forms and proportions which were not previously possible. The use of a steel framework, which supports the whole weight of the structure, not only allows of buildings being taken to great heights but also permits of the walls, which no longer have to support the structure, being of slight and varied construction. It is possible to build a factory in which the walls, since they have no weight to support, are almost entirely of glass. Moreover, the particular nature and strength of ferro-concrete permits the use of long lintels and overhanging cantilevers, and of light spidery forms which would be impossible if brick, stone or wood were used. These possibilities have induced architects to design buildings of shapes which are unfamiliar and therefore, since our conception of what is beautiful is based on that to which we are accustomed, may at first seem ugly to us. It is significant, however, that when buildings of good modern design are placed in close proximity to good buildings of earlier periods there is no sense of incongruity. Rather each seems to enhance the beauty of the other.

It has been said that the machine has destroyed beauty: It is true that some machine-produced articles compare unfavourably with those produced by hand, and that articles produced in quantity undoubtedly lack the individuality which characterises the work of the skilled craftsman. But that beauty cannot be produced by the machine is not universally true and it must not be forgotten that the machine has made possible the possession of beautiful things by those to whom such things were previously denied. One may instance as an example the curtain and dress fabrics which of recent years can be bought at two or three shillings a yard.

We are the heirs of the ages and the beauties of all time are our heritage. While we may admire the lovely things which our forefathers made we should be foolish to shut our eyes to the particular beauties of our own day.



## CHAPTER 49

### PLANNING A MORE BEAUTIFUL ENGLAND

**I**T has been said that God made the country, man made the town. The saying is not entirely true. The English countryside is not nature in its primitive state, it is nature tamed and remade by man. In its present shape it is, to a great extent, the work of the landowners of the eighteenth century, who regarded the whole of their estates as places which it was their duty and pleasure to plan and beautify.

The landowners of the eighteenth century lived, however, in an England in many ways different from our own. It was a less crowded England, not as yet industrialised and mechanised, a much more static England, in which the people moved about little and in which the speed and rush of modern life were absent. Those who laid out the countryside, with its fields and woods and villages, were usually men of taste and discernment, with a real love of the land; the builders were the heirs of a long tradition of craftsmanship, accustomed to use local designs and local materials which fitted in with the natural surroundings in which they worked.

The coming of the machine resulted in the growth of industrial towns, hideous, ill planned, full of smoke and dirt and squalor. The devastation was, however, confined to certain areas. Though the industrial towns which were built in the 19th century were beautiful neither in their layout nor in their architecture, the countryside as a whole remained comparatively unspoilt.

The growth of population and the expansion of towns, the development of mechanical transport, the coming into

use of new building materials, the decay of local tradition and craftsmanship, all have combined to create problems for our time, which call for solution if the beauty of England is not to be slowly destroyed.

The solution lies in the drawing up of properly thought out schemes, enforced by law, for town and regional planning in every area in Great Britain. While certain areas are already being carefully planned, the lack of planning in many places is having disastrous results. Houses are allowed to straggle out in long ribbon lines along main roads, not only ruining the countryside but hindering the flow of the traffic for which the roads are intended. Pleasant old-world villages are spoilt by the erection of buildings of materials and designs out of harmony with their surroundings; raw red brick villas and corrugated iron garages, plastered over with advertisements, are put up beside thatched cottages and quiet country inns. Woods and avenues of ancient trees are ruthlessly cut down by the speculative builder. The beauty of a large part of the English coast-line has been destroyed by a rash of jerry-built bungalows and untidy shacks.

One of the chief objects of planning must be to preserve existing beauties and to prevent the countryside being disfigured and spoilt by unsightly and badly placed buildings, by unsuitable garages and advertisements or by the destruction of trees and flowers. One or two houses out of tune with their surroundings may spoil a whole landscape, the cutting down of avenues and woods may alter the character of a countryside. The construction of new motor roads is a necessity; good planning will ensure that they are things both of beauty and convenience. New houses may be needed to provide for an increased population; good planning again will ensure that they harmonise with existing buildings and do not destroy the character of the locality.

There is a growing tendency for towns to straggle out into and eat up more and more of the countryside: suburb

after suburb is added as the population increases; more and more are rural amenities destroyed. The problem of the expanding town is an important one. How excellent are the results which can be attained by forethought and planning can be seen by a study of the growth of such garden cities as Letchworth and Welwyn, planned for a limited number of inhabitants, with separate areas devoted to factories, shops and houses, with all the needs of the town, such as open spaces, churches, schools, municipal offices, cinemas, hospitals, cemeteries, sewage works and so on, carefully thought out.

A recent example of the planned town is Wythenshawe, a new satellite town which is being laid out by the Corporation of Manchester. The whole of Wythenshawe, 3,600 acres in extent, has been bought by the Manchester Corporation. One hundred acres are allotted to form an agricultural belt round it; a thousand acres, including an old park of 250 acres, are scheduled for open spaces in the town itself; another hundred acres is reserved for a golf course. On 1,200 out of the 3,600 acres of the town no building will be allowed. Instead of being cut down, existing trees are preserved. The town is laid out in areas, some for factories, some for shops, some for houses. One of the interesting features of the layout is proper provision for traffic. Through the town run parkways, wide motor roads with, on either side of them, broad belts over 100 feet wide of trees and shrubs, along which are paths for pedestrians. No houses open out on to these parkways. Houses are placed well back and are fed by subsidiary roads, parallel to the parkways and connected with them at intervals. How different from the usual sort of town, with its streets congested with traffic and the roads leading to it edged with rows of straggling houses!

One of the most wonderful examples of planning for a distant future may be studied at Canberra, the federal capital of Australia. The designers of Canberra have worked out a scheme for a city which may not be completed

for a hundred years. Miles and miles of lovely avenues of trees have been planted, miles and miles of roads laid down. Gradually, as they are needed, the buildings are, being constructed, each one, from the stately white Parliament House down to the smallest home, designed to fit in with the general plan. Perhaps one day Canberra will be the most beautiful city in the world.

Existing towns cannot be entirely rebuilt; the mistakes of the past cannot be entirely rectified. Much good can be gained, however, by ensuring that all future development is planned and controlled, that the roads leading out of

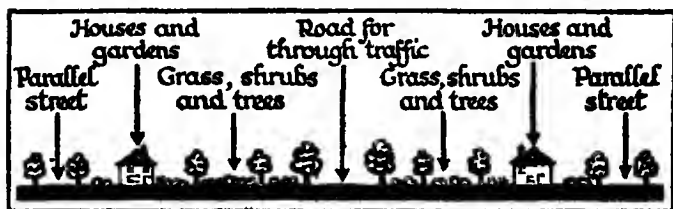


FIG. 48—A SECTION THROUGH A PARKWAY

In order to get this section into the width of one page, the belt between the through traffic road and the houses has been reduced; it may be over 100 feet wide.

the town are not spoilt by ribbon development, that new housing estates are compactly laid out, that natural beauties such as woods and trees are not destroyed, that sufficient open spaces are preserved for use as parks and recreation grounds, that from the first proper provision is made for the ever increasing motor traffic that fills our roads.

However well the general layout of a town or its extensions is planned it will not be satisfying unless the buildings themselves are beautiful. Though many recently constructed public buildings are of great beauty and the standard of domestic architecture has improved, we still suffer from the influence of the bad architecture of the last century, and, all over England, ugly houses are daily

being built. There is no reason why even a small inexpensive house should not be beautiful; in its own way, as beautiful as a large expensive one. There is a particular charm in groups of simple, well proportioned small houses, built of the right materials and free from unnecessary decoration.

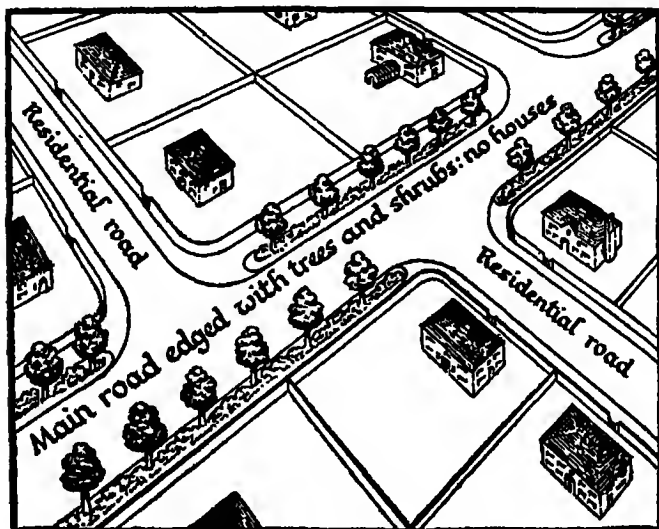


FIG. 49—LAYOUT OF A HOUSING ESTATE

There are several efficient and beautiful ways of laying out an estate, depending on the nature of the ground, of which this is one. Note that all houses are on side roads away from traffic. By such a layout costs of roadmaking and of services are reduced.

Thought and taste in their arrangement and construction are, however, necessary. How should they be grouped? They need not always be arranged in streets; they may be more effective if grouped round a plot of lawn. Nor need the common practice of "detached residences" be always followed. A long roof space is much more dignified and pleasing than a narrow one and this can be gained by joining several houses together to form an architectural unit.

Indeed the whole problem of architectural unity needs careful attention. Houses of diverse styles and types may often harmonise, but some of the most pleasing effects

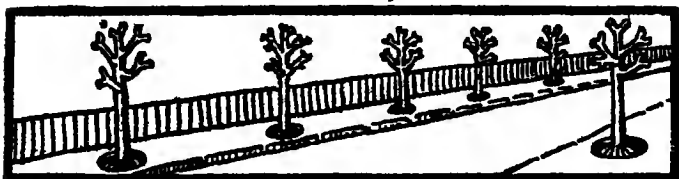
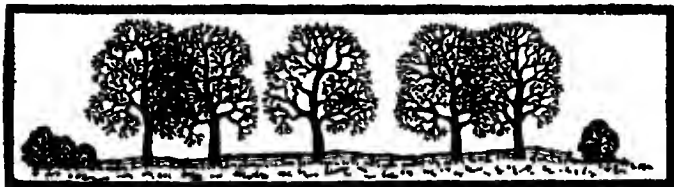


FIG. 50—TREATMENT OF TREES

An ugly way of treating trees, but see below.

are gained when groups of buildings are designed as a whole. Much also depends on the proper retention or provision of natural features. How restful and pleasant is a road planted with trees and bordered with grass verges! Incidentally, too, how much more beautiful, especially in winter when the lovely tracery of its branches are seen against a grey sky, is a tree allowed to grow into its natural shape than one mutilated and lopped in the way which is so often done.

Were there time, there are many more problems which might be discussed. Should everyone demand a separate



Trees left to grow naturally are as beautiful in winter as in summer.

house or would it be better to live in flats and use the ground-space saved for parks and gardens common to all, as is being planned at St. Leonard's Hill, near Windsor? Should the expansion of existing towns cease and new separate

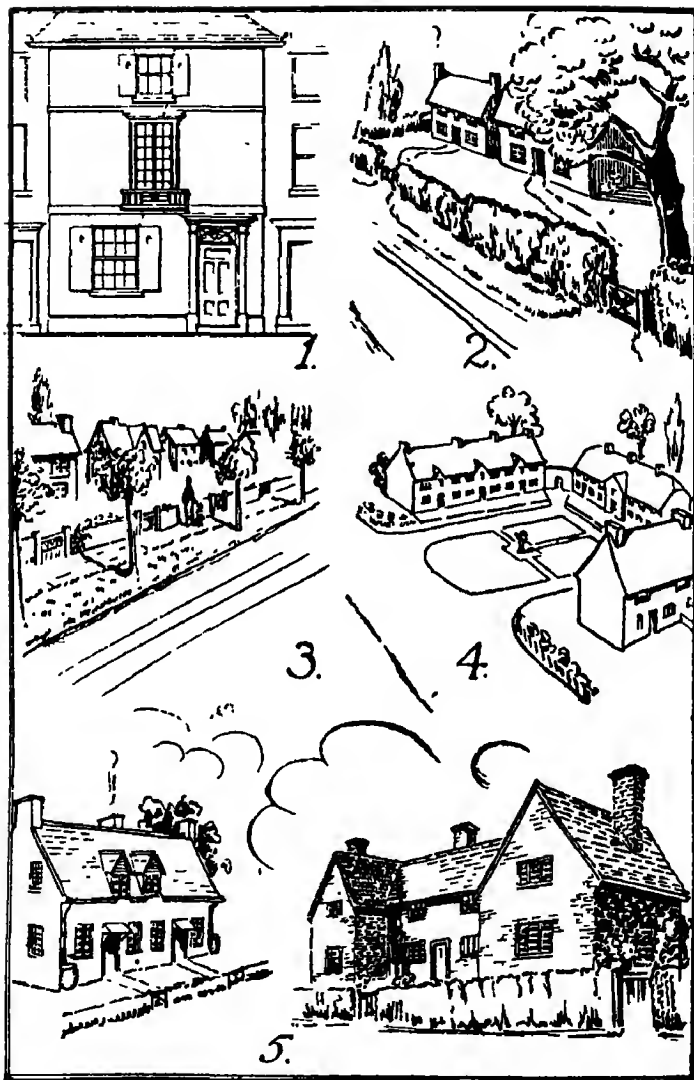


FIG. 51—BUILDING WHICH ADDS TO THE BEAUTY  
OF TOWN AND COUNTRY

#### NOTES ON FIGURE 51

1. This dignified little town house depends for its beauty on plainness and proportion.
2. The retention of natural features adds to the pleasant appearance of these houses.
3. An example of the effective use of flowering trees and grass verges to add to the beauty of a street.
4. Compact grouping is a characteristic of good planning. Houses may often with advantage be built round a central plot of grass instead of in a row. By this method road costs can be reduced.
5. Simplicity of design, avoidance of unnecessary decoration, correct proportion of doors, windows and chimneys and the use of plain wall surfaces and long roof spans, all marks of good building, are characteristics of these pleasant small houses.



#### NOTES ON FIGURE 52

1. An example of bad siting; building on a skyline. Notice how well the house in the foreground nestles into the landscape, while the row of houses on the skyline destroys its beauty.
2. Another example of bad siting common when there is no town planning scheme; ribbon development.
3. A type of ugly house often seen. Its wide span from front to back, marked vertical lines and narrow roof span destroy all dignity and proportion.
4. A house of pleasing shape but completely spoilt by the bad placing and proportion of its doors, windows and chimneys.
5. The fussy unnecessary decoration and materials which do not tone in with the surroundings, characteristic of the left-hand house, make it compare unfavourably with the thatched cottage which adjoins it.
6. A typical example of the uncontrolled speculative builder's methods: row of small monotonous detached houses with all natural amenities destroyed.

*Acknowledgments are made to the compilers of "Planning in the Peak District" (C.P.R.E.) for ideas in preparing the drawings.*

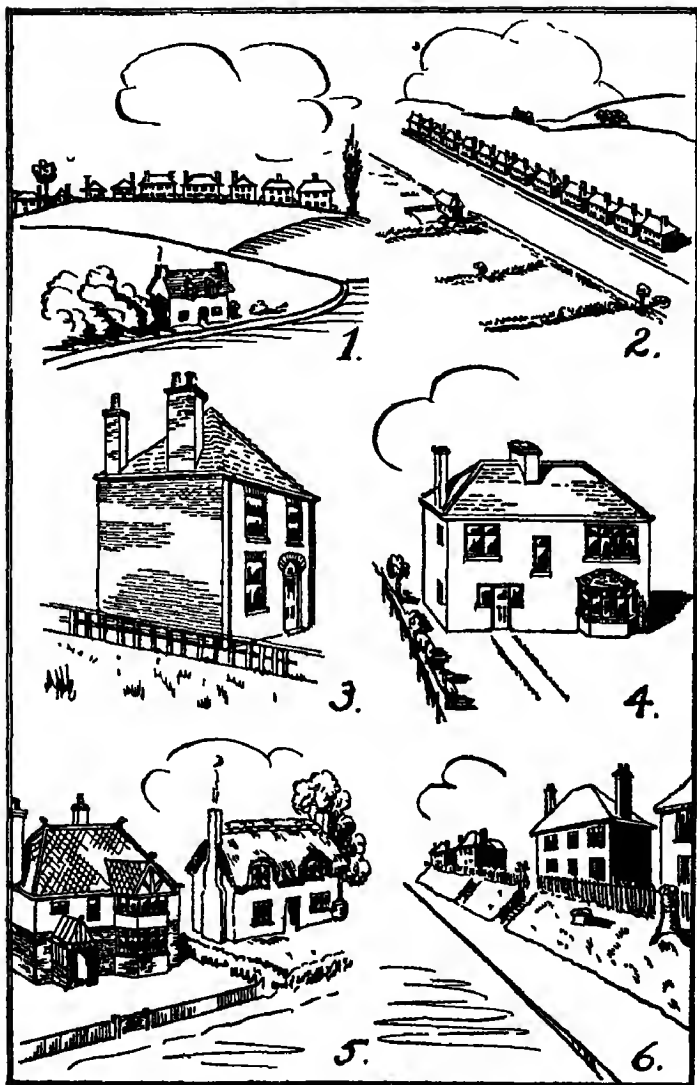


FIG. 52—THE RESULTS OF LACK OF PROPER TOWN AND REGIONAL PLANNING

satellite towns, like that at Wythenshawe, be built instead ? Can towns be so planned that for part of the year the workers are employed in factories, while for the rest of the time they can engage in healthy agricultural pursuits ?

People probably get the sort of planning, or lack of it, they deserve. The central and local authorities who control these things cannot go much further than the general public want. Two things are necessary if the beauties of England are to be preserved, an educated public opinion and standard of taste which will insist on proper planning for the future and laws which will enable those who must work out the plans to carry out their work properly. At present neither exists.

## CHAPTER 50

### THE NEED OF CLEAR THINKING

**I**T is a commonplace to say that we are living in a new age, in which long established and accepted ideas and customs are being abandoned and in which new conceptions of government, of economic organisation and social order are being born. It is an age of transition, in which we are watching an old world falling to pieces. What will come out of it all no one can prophesy with any certainty.

Those who have read this book so far will have learnt something of how the present stage of world history has been reached. Many who read it will have to play a part, even though it may be a very small part, in building up the world that is to be.

The character of this new world will depend on how strong are the emotions which will compel men to sweep away antique abuses, on how clearly they are able to see to the root of the problems they are called upon to solve and on how effectively they can translate their conclusions into action.

Without an impelling emotion there can be no action. Emotion is, however, of itself insufficient; it must be accompanied by a capacity for hard, passionless, objective thinking, an ability both to discover basic causes and to reach right solutions.

Over a period of centuries scientists have learnt to apply keen unbiassed thinking to the solution of scientific problems. They have learnt to rely on observation and experiment and to distrust preconceived opinions and traditional beliefs not based on sound evidence. Before

reaching a conclusion they submit their hypotheses, that is, their provisional solutions, to a process of testing and verifying. If the hypotheses will not stand up to these tests and checks, then they are abandoned as untenable.

A scientist would no more think of concealing a fact which discredited his hypothesis than he would think of committing a crime punishable by law. To do so would be to sin against scientific truth. He is constantly working to discover new facts, and, if fresh evidence appears to contradict an opinion he has previously held, he is prepared frankly to abandon that opinion. In scientific thinking prejudice and self-interest can have no place.

That keen, hard, objective thinking which men have learnt to use in working out their scientific problems they have not yet learnt to use in their thinking about social, political and economic affairs. Until they learn to do so they cannot expect to reach the best solutions to these problems. The most important piece of equipment required by a citizen in the modern world is the ability to think clearly.

"Men fear thought as they fear nothing else on earth", writes Bertrand Russell. For thought can be a hard mistress, driving men out of their safe little worlds of traditional beliefs and established habits, undercutting their prejudices and preconceived notions, perhaps impelling them to action which is stern and uncomfortable.

We are most of us naturally lazy. We love the good opinion of our fellows and dread being different from them. We dislike change; we like to feel the foundations of thought and custom firm beneath our feet. We do not wish to be made to think. Yet only by learning to think clearly can we hope to surmount the difficulties of our time.

To learn to think clearly we must know something of how our minds work and what are the pitfalls into which we are liable to fall.

Our minds have an infinite capacity for self-deception; unless they are carefully trained, they are liable to deceive

us. We think we have reached a conclusion by reasoning when actually we have formed the conclusion first and then made up reasons to support it. We are all, moreover, strongly influenced by our environment, by the education we have received, by the people with whom we come in contact, by the books and newspapers we read. We have our ambitions and dream of what we will do in the future; perhaps we have made a little niche for ourselves in society which we do not want to be disturbed. All these things have built up in our minds a set of ideas and opinions and ways of looking at things. It is difficult for us to get out of our skins, to stand back and examine our opinions objectively without prejudice or self-interest. As Gilbert remarked—and it was nearly true at the time—

“Every boy and every girl that’s born into this world alive  
Is either a little Liberal or else a little Conservative.”

Then too we are liable to be carried away by our emotions, which often hinder us from forming an unbiassed judgment. If we dislike a person or a political party, it is unlikely that we shall be able to examine opinions put forward by that person or party in an unprejudiced manner. Fear and suspicion are liable to warp our judgment, as can be seen by reading the speeches of the spokesmen in various European countries at any time of crisis. Pity, too, while it may urge us on to reform abuses in the social system, can cloud our minds and prevent us from thinking clearly.

Politicians and newspapers know only too well how much easier it is to appeal to men’s emotions rather than to their reason. Particularly in times of stress, such as during a war or at a time of national crisis, when passions are most easily aroused, it is rare to find people thinking clearly and coolly.

The danger of being led away by our inborn or acquired prejudices and by the urge of our emotions becomes lessened as soon as we realise how liable we are to be influenced by

them. We shall be less liable to fall into loose and inaccurate thinking if we know something of the mental processes on which the formation of our judgments depends.

Our judgments are based on *observation*, that is on the perception of our senses, our hearing, sight, touch, smell etc. Consciously or unconsciously we are continuously storing up in our memory an accumulation of observations which in sum total make up our *experience*. On this body of experience our judgments and ways of thinking are based. How reliable they are will depend in the first place on how exact our powers of observation are; on how far our observation is obscured by our confusing the thing seen with inferences which might be drawn from it, on how far we are influenced by preconceived opinions i.e. how far we see what we expect to see and not what actually is.

Our memory, which stores up all these observations, is also liable to be a fallible instrument. Most of us tend to remember those things we want to remember, that is the things which fit in with our prejudices and interests, and to forget those things which we wish to forget. Some of us are particularly liable to reject from our memories those details of a situation which are unpleasant and to remember only those that are pleasant. Others of us may have been so affected by the horror and hatefulness of some incident or group of incidents that other aspects of the same incident or group of incidents are entirely forgotten. For instance, one soldier who fought in a war may retain in his mind chiefly the comradeship he found among his fellow soldiers, their bravery in the face of danger, their self-sacrifice, endurance and cheerfulness under hardship, and unconsciously banish from his memory most of what was sordid and horrible. Another soldier may have been so impressed by the futility and cruelty of modern warfare as he saw it that his memory rejects all that was heroic or fine in his experience.

In assessing the validity of our judgments, therefore,

we must consider to what extent our observation and memory can be relied on.

For much of our thinking we are unable to rely on our own experience; we must draw on the experience of others, on the talk of those with whom we come in contact in our daily life, on the information and ideas we get from our reading of books and newspapers or our listening to the radio. The majority of people are, often without knowing it, intent on impressing their own point of view on others. Newspapers and periodicals exist to express particular sets of opinions. All our lives we are subject to a constant stream of conscious or unconscious propaganda. Since we are most of us averse to thinking things out for ourselves and are always liable to take the line of least resistance we constantly allow our judgments to be formed for us. The fact that newspapers rely so much on headlines and reiteration, that advertisers make so extensive a use of slogans, such as "Beer is best" or "Eat more fruit", that the election appeals of most parliamentary candidates are a collection of catchphrases is a clear indication of how little reasoned argument is regarded as effective in moulding opinion. If we are to learn to think clearly we have to be constantly on our guard against these and similar attempts to do our thinking for us.

We ought, too, to be constantly on our guard to prevent ourselves from being led away by statements for which there is no real evidence. We ought continuously to ask ourselves such questions as: "What is the evidence for this statement? Will it bear examination in the light of the facts that are known to us?" If we feel after examination that we have not sufficient facts to prove the statement then we should be content to suspend judgment, to say that it may be true but the evidence at our disposal is not sufficient to give us any certainty.

The ability to sift evidence and to detect false reasoning can only come with training. Such training is eminently necessary if our thinking is to become precise and logical.



Many mistakes could be avoided if we could learn to use words more precisely. The speech of most people is very inexact, and the loose use of words causes much confusion of thought.

It would be interesting, were space available, to describe more fully than we have done the mental processes by which judgments are formed and tested, to enumerate some of the common fallacies into which we are apt to fall and to explain in detail how the slovenly use of words leads to loose thinking.<sup>1</sup> To do so effectively in a short space is, however, impossible. Enough has been said to indicate the supreme need of clear unbiassed thought and some at least of the errors into which we are all liable to fall.

<sup>1</sup> A valuable book for this purpose is Jepson : *Clear Thinking*.

## CHAPTER 51

### EPILOGUE

**T**HIS book is finished ; it remains only to write the epilogue. That epilogue must be a warning. Much of our space has been taken up in describing the advances made by mankind in the material world. We have seen how men have gained mastery over force and matter, how they have conquered distance and hunger and climate, how in a thousand and one ways life has been made more comfortable and more secure.

Yet we are in our age faced with a stupendous paradox. On the one hand we are working for, and succeeding as never before in the conquest of suffering and disease, in the alleviation of human misery, in ensuring for the majority of mankind better conditions of existence, greater opportunities of living a full, vivid, satisfying life. On the other hand we are piling up instruments of destruction which may plunge the world back into barbarism and chaos.

Our spiritual progress has lagged far behind our material progress. In the domain of science and invention we have learnt to think objectively and creatively ; in our political, economic and international relationships we are as yet children, quarrelsome, immature, intolerant, absurd. The future of our civilisation depends primarily on our capacity for spiritual growth, on whether we can raise our spiritual stature up to our material stature, on whether we can bring to our political, economic and international relationships that habit of clear and objective thinking which we have applied to the affairs of the material universe. If we are unable to do so, Macaulay's New Zealander may yet stand on the ruins of London Bridge, gazing on a city of the dead.

Nor is that all. There is a real danger that we may become absorbed in material things and so lose our sense of values. Here again it is necessary that our spiritual growth should be brought up to our material growth, that we should learn to see things in their right proportion. Of what use is the conquest of matter if its only result be a standardised mass-produced generation, continually rushing hither and thither at increasing speed, indifferent to spiritual values, perpetually dependent on exterior excitements, without any inward stability or peace? If such be the result of our discoveries and inventions, then we shall not have conquered matter; matter will have conquered us. The grave words of the Teacher of Nazareth stand as a warning to our age: "What shall it profit a man if he gain the whole world and lose his own soul?"

## SUGGESTIONS FOR BUILDING UP A SOCIAL STUDIES LIBRARY

**I**N this short book it has been possible to give an outline sketch only of the many topics covered; that outline sketch may be profitably expanded by the reading of other books. One cannot, however, list and describe here more than a few of the many books which have been written on the subjects discussed. Here are some which the author has found particularly useful.

King-Hall's *Hilary Growing Up* is an interesting, well-written work and contains some fascinating and vivid chapters on political and economic organisation.

Jordan's *Essential Economics* (Elkin Mathews and Marrot) will be found useful in expanding the ideas treated in Part I. The chapters on banking and foreign exchange are particularly valuable.

Another useful book for the same purpose is A. Vallance's *The Centre of the World* (Hodder and Stoughton), which describes the financial organisation of the City of London and the working of the Stock Exchange and the English banking system.

Low's *Conquering Space and Time* (Nelson) contains a mass of information about the development of transport and communications and is well illustrated, while Monk's *Air Mail* (Percy Press) gives a good account of civil aviation.

H. G. Wells' *The Work, Wealth and Happiness of Mankind* (Heinemann) is too well known to need more than a mention. It is a significant book, packed with information and ideas, and should be in every library.

Those who desire an up-to-date historical account of the economic development of our own country will find

a useful book in Croome and Hammond's *The Economy of Britain* (Christophers).-

Three small books on Government, published by Pitmans, are well worth reading, and may be usefully studied in connection with Part II. They are : *How states are governed*, by E. F. Row, which discusses forms of government in a clearer way than any other book I know ; *Parliament*, by Morrison and Abbott, which deals excellently with parliamentary procedure ; and *Political Parties and Policies*, by E. R. Pike, which describes the main beliefs current in British politics. Should the reader desire to extend his knowledge of Britain overseas he might read Somervell's *The British Empire* (Christophers). For purposes of reference in connection with Part II, Clarke's *Outlines of Central Government* and *Outlines of Local Government* (Pitman), which contain a mass of detailed information, are useful.

When one considers its contents, one of the cheapest books published in recent years is *An Outline of Modern Knowledge* (Gollancz) which, for six shillings, contains twenty-one authoritative articles on science and philosophy, economics, politics and history, literature and the arts. Some of the book is not too easy reading. A simpler book of a similar character, though not quite so good, is *An Outline for Boys and Girls and their Parents* (also Gollancz). It ought to be in every school library, and will be found very useful for reference on many topics touched on in greater or lesser detail in this book.

Too high praise cannot be given to four books which may be usefully read in conjunction with Part III. King-Hall's *The World since the War* (Nelson) gives a swiftly-moving survey of the years from 1918 to the present time. A far more detailed account, taken up to 1934, is given in J. Hampden Jackson's *The Post-War World* (Gollancz). This is the best book of its kind I know and should be used to fill in the outline sketch which this book gives of happenings since the conclusion of the World War.

J. F. Horrabin's two books, *The Opening-up of the World* (Methuen) and *An Outline of Economic Geography* (N.C.L.C. Publishing Society), combine history, geography and economics in a way which has not, so far as I know, been surpassed and both are illustrated with a wealth of those maps which only Mr. Horrabin knows how to draw. The deliberate Left-Wing bias of the latter book does not detract from its value, even for those who may not share Mr Horrabin's political philosophy. Information about modern Europe not to be found in other books is contained in Cole's *The Intelligent Man's Review of Europe To-day* (Gollancz).

A background of world history is necessary for a study of contemporary affairs. For this purpose the reader may find H. G. Wells' *Outline of History* (Cassell) or my own *Adventure of Man* (Christophers) of use.

For a more detailed survey of European history H. A. L. Fisher's *History of Europe* (Arnold), for the history of our own country, Trevelyan's *History of England* (Longmans), and, for the study of modern England in particular, Hampden Jackson's *England since the Industrial Revolution* (Gollancz), will be found of value, while an excellent account of European history from the French Revolution to 1914 is contained in Grant and Temperley's *Europe in the Nineteenth Century* (Longmans).

It is impossible to include the numerous books dealing with special aspects of contemporary events, but one must recommend Hollis' *Foreigners aren't Fools* (Longmans), since it gives very clearly an insight into foreign opinion about recent international happenings.

B. A. Howard's *The Proper Study of Mankind* (Ginn) is certainly one of the best books of its kind. It touches on the relation of man and the universe, on his mental and bodily growth, and on the development of his religious and political ideas. The two chapters on "The Use of Man's Mind" may be usefully read in conjunction with those in this book on the Press and on the need of clear thinking. For the English newspaper, Soames' *The English Press*

(Drummond),<sup>1</sup> and for the radio and cinema, Hilda Matheson's *Broadcasting* (H.U.L.), Wood's *The Romance of the Movies* (Heinemann)—a horrible title but a useful account—and Chesmore's *Behind the Cinema Screen* (Nelson), are all good.

Two good books on town planning are Sharp's *Town and Countryside* (O.U.P.) and *Britain and the Beast* (Dent). There is much useful information in the sections devoted to the subject in Quennell's *The Good New Days* (Batsford), which deals also with a good many other matters touched on in this book and is excellently illustrated. *Housing in the Peak District* (C.R.P.E.) is, perhaps, the best cheap book on town planning. It costs only a shilling and is crammed with excellent illustrations, by no means confined to the Peak, which will be found useful for Chapter 49.

On the working of our minds some excellent books have been published. Particularly good are Jepson's *Clear Thinking* (Longmans), Thouless' *Straight and Crooked Thinking* (English Universities Press) and Field's *Prejudice and Impartiality* (Methuen).

For those who wish to study the scientific background of our age the following books will be found useful: Wells and Huxley: *The Science of Life* (The Amalgamated Press), Chase's *Frontiers of Science* (English Universities Press), Karlson's *You and the Universe* and Hogben's *Science for the Citizen* (both Allen and Unwin).

A number of sketch-maps have been specially prepared for this book. They do not, however, remove the need for constant reference to fuller atlases. There are several good general ones on the market. Among historical atlases may be mentioned: Philips' *Historical Atlas—Medieval and Modern*, rather expensive; Philips' *New School Atlas of Universal History*, which is cheaper; and Philips' *Junior Historical Atlas*, which is cheaper still. Horrabin's brilliant productions, published by Gollancz, *An Atlas of Current Affairs*, *An Atlas of Empire* and *An Atlas of European History* should always be to hand. A good geography is

also desirable for reference. I have found Shanahan's *A Modern World Geography* (Methuen) particularly useful.

Finally, it is impossible to say at how frequent intervals this book can be brought up to date. For an intelligent study of our own times, especially in schools, some service through which reliable up-to-date information on contemporary happenings may be obtained is essential. Such a service is provided at a reasonable cost by *Keessing's Contemporary Archives*, a weekly diary of world events. The material is not confined to political happenings but includes also important economic and statistical information, maps, etc. The index is kept continually up to date.





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